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OFFICE OF THE ASSESSOR-RECORDER
CITY & COUNTY OF SAN FRANCISCO



2005 Annual Report



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Message From The Assessor-Recorder

The Office of the Assessor-Recorder is committed to valuing property in a fair and equitable manner according to California's Revenue and Taxation Laws and strives to collect every tax dollar owed to the city. Our goal is to provide superior and courteous service.

The Office of the Assessor-Recorder, under state law, is assigned the responsibility of establishing a taxable value for all property subject to property taxation. The Assessor-Recorder's office is responsible for maintaining a list of all taxable property as well as applying all legal exemptions mandated by state law. We maintain all public records and collect city revenues from the recording of legal documents.

The tax revenue generated from the Office of the Assessor-Recorder funds civic institutions that provide fundamental city services, like the Police Department, Fire Department, the Department of Public Health, public schools and public libraries. Our success has a direct impact on City services and is a major component of the City's revenue.

The contents of this report provide information on the state of property values in San Francisco and give insight on our office's contribution to the City's neighborhoods. This report contains a detailed overview of Tax Assessment for 2005.

Sincerely,



Phil Ting, Assessor-Recorder
City & County of San Francisco



Phil Ting

DOCUMENTS DEPT.

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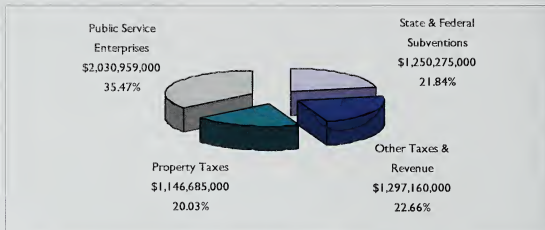
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Revenue

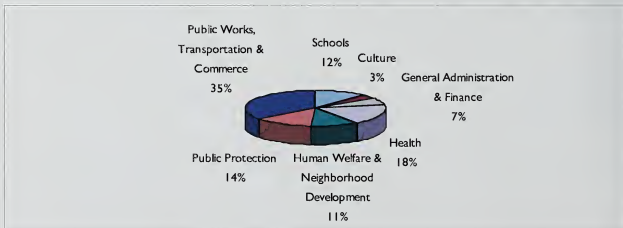
Where does the City & County's revenue come from?

The City & County of San Francisco acquires its revenue from four diverse sources. Independently, the property taxes incurred through assessments by the Assessor-Recorder's office account for 20% of the City & County's revenue. Property Tax is a tax placed on real and business personal property. It is an ad valorem tax, which means that it is based on a percentage of the property's value. There are three different types of property: real, personal and utility. Real property refers to the ownership of land and any improvements, if any, to the land. Personal property is tangible yet moveable. Business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software. Utility property is property owned by utilities, such as railroads.



How is the money spent?

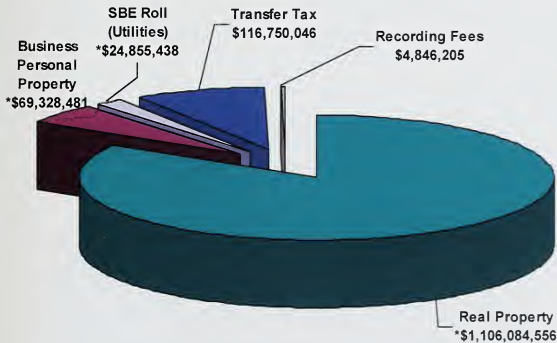
Taxes and other revenues are applied back to various city maintenance and enhancement projects. They include valuable services, such as school funding, public transportation, and public protection.



How much revenue does the Assessor-Recorder generate?

In 1978, Proposition 13 established a maximum property tax rate of one percent (1%) of the assessed value, plus any voter approved bonded indebtedness, service fees, improvements bonds and special assessments. Proposition 13 also limited increases to the assessed value of real property by no more than 2 percent per year. Real property is reassessed, however, at its current fair market value at the time there is a change in ownership, completion of new construction or a change in use.

The Office of the Assessor-Recorder generated more than \$1.32 billion dollars last year.



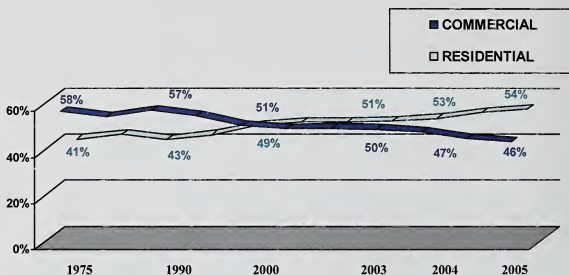
As of July 1, 2005

*estimate based on Secured and Unsecured Property Roll



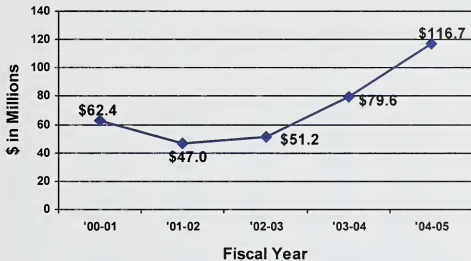
Real Property Taxes

The Office of the Assessor-Recorder generated more than \$1.32 billion in the fiscal year ending June 30, 2005. Real property taxes accounted for over \$1.1 billion, clearly distinguishing real property assessments as the primary revenue generating function of the office. This chart breaks down real property taxes into residential and commercial property tax revenues, and shows the increasing trend of residential activity over the last 30 years. The commercial property figures include income-producing properties, such as apartment buildings. The residential property figures represent owner-occupied properties.



Transfer Tax Revenue

A transfer tax is a tax imposed when real estate is sold or transferred from one entity to another. A change in policy to collect transfer tax at the time of recording with a "change in ownership document" has resulted in a vast improvement in the revenue generated by transfer tax during the past two years. This past fiscal year, the Assessor-Recorder's office generated \$116.7 million from transfer taxes, which is a 46.6% increase from the previous fiscal year.



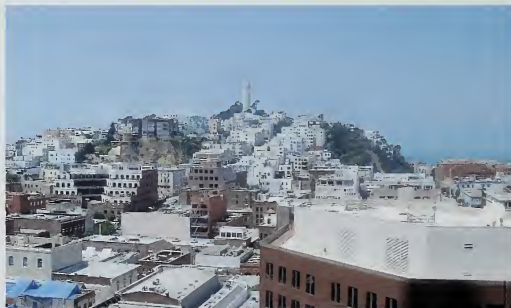


Assessor-Recorder Department Budget vs. Revenue Generated

The staff in the Office of the Assessor-Recorder works hard to bring as much revenue as possible into the City to fund many beneficial programs. The Office of the Assessor-Recorder works with a budget of only 1% of the revenue that it generates.

	FY 01-02	FY 02-03	FY 03-04	FY 04-05
ASR Budget	\$11,650,670	\$11,637,589	\$12,061,909	\$12,821,696
Total Estimated Revenue	\$1,040,947,879	\$1,112,687,908	\$1,180,757,819	\$1,321,864,726
Real Property*	881,424,471	946,459,788	994,437,983	1,106,084,556
Business Personal Property*	80,439,294	78,433,037	73,539,383	69,328,481
SBE Roll (Utilities)*	27,306,510	30,108,513	26,686,474	24,855,438
Transfer Tax	47,078,329	51,192,409	79,605,015	116,750,046

*estimate based on Secured and Unsecured Property Roll and yearly tax rate



Assessment Roll

The Assessment Roll is the official list of all property within the County assessed by the Assessor, and is separated into a secured and unsecured roll. Secured roll is property on which the property taxes are a lien against the real estate. Unsecured roll is property on which the property taxes are not a lien against the real estate where they are situated, including business personal property or improvements located on leased land. The Assessment Roll has increased by 43% for the past six years.

Assessment Roll History



Assessment Roll Summary

	2004	2005	% Change
Secured Roll	99,504,240,024	106,729,794,172	7.26%
Unsecured Roll	7,123,139,927	7,240,353,035	1.65%
SBE Roll (Utilities)	2,172,678,159	2,076,581,092	-4.42%
Less: Exemptions	-3,655,940,222	-3,995,388,142	9.28%
Total	\$105,144,118,068	\$112,051,340,157	6.57%



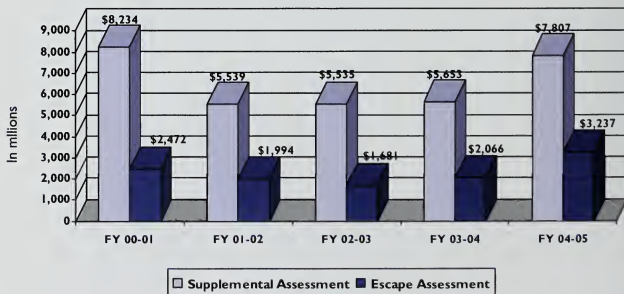
2005 Secured Assessment Roll By Real Property Type

Property Type	Roll Value	Value Growth*	Value %	Parcel Count
Singe Family Residential	46,074,721,270	10.05%	4.36%	124,930
Multi-Family Residential	21,465,445,257	8.43%	20.30%	36,048
Commercial	34,308,684,141	4.37%	32.50%	20,251
Office	18,015,983,025	4.16%	17.00%	1,346
Hotel & Motel	4,518,700,127	3.31%	4.30%	760
Non-Office	11,774,000,989	5.11%	11.10%	18,145
Industrial	2,135,013,763	4.56%	2.00%	2,506
Others/ Miscellaneous	1,734,182,703	-10.37%	1.60%	6,394
Total	\$105,718,047,134	7.31%	100.00%	190,129

* compared to the 2004 roll values

Supplemental and Escape Assessments

Supplemental and Escape Assessments are performed in addition to the regular assessment roll. A Supplemental Assessment refers to an assessment in which there has been a change in ownership, new construction or change in use. An Escape Assessment refers to an assessment of a property in which there was a change in ownership, new construction or change in use in a previous fiscal year, but for whatever reason escaped assessment and did not get placed on that year's roll.



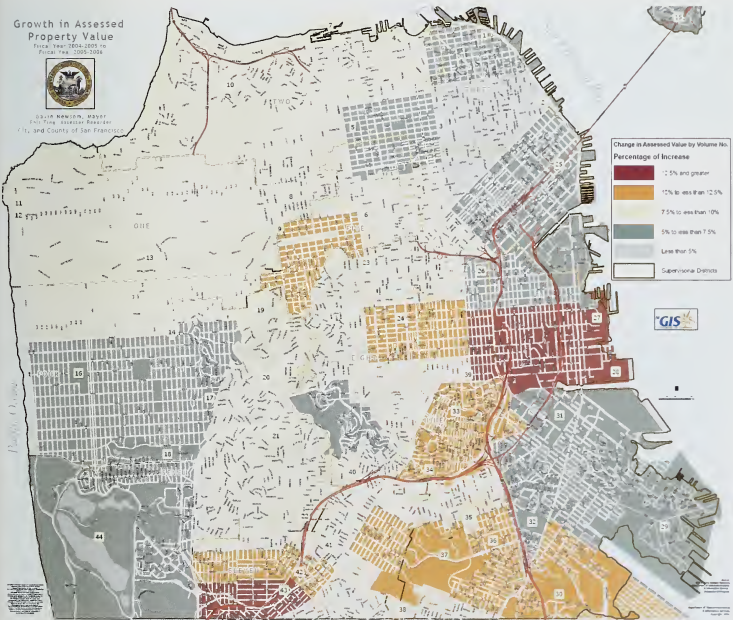
Assessment Roll Growth

Growth in Assessed Property Value

Fiscal Year 2004-2005 vs
Fiscal Year 2003-2004



DAVID HANCOCK, Mayor
PAUL T. HOGAN, Assessor-Recorder
City and County of San Francisco





Top Ten Property Assesseees
2005 Assessment Roll

Taxpayer	Type of Business	Assessed Value
		(in thousands of dollars)
Embarcadero Center Venture	Offices, Commercial	1,221,354
Pacific Gas & Electric Co.	Utilities	1,039,357
555 California Street LLC	Offices, Commercial	885,795
SBC California	Utilities, Communications	407,735
EOP – One Market LLC	Offices	390,845
Marriott Hotel	Specialty Retail & Hotels	389,795
China Basin Ballpark Co. LLC	Possessory Interest - Stadium	383,007
Post – Montgomery Associates	Offices, Commercial	342,123
BRE – St. Francis LLC	Specialty Retail & Hotels	321,971
101 California Venture	Offices, Commercial	281,980
Total Taxable Assessed Valuation - All Assesseees		112,051,340



Top Ten Business Property Tax Payers
2005 Assessment Roll

Owner Name	Type of Business	Assessed Value
Charles Schwab & Co Inc.	Financial Institution	144,584,720
Gap Inc. & Subsidiaries	Retail	84,927,953
Wells Fargo Bank	Financial Institution	81,862,338
Alta Equipment Land Leasing	Leased Equipment	70,295,944
Williams Sonoma	Retail	36,807,152
KGO	Multimedia	33,706,457
Macromedia	Internet Software	32,870,306
Macy's Department Stores Inc.	Retail	32,595,294
Levi Strauss	Manufacturer/Retail	30,629,804
Deloitte & Touche LLP	Professional Services	30,257,157





2005 Assessment Roll Qualifying Exemptions*

An exemption is an allowance of a deduction from the taxable assessed value of the property as prescribed by law. For example, you may apply for the Homeowners Exemption of \$7,000 from your assessed value if you own a home and occupy it as your principal place of residence on January 1. Listed below are the various types of exemptions available and the total value of each exemption type for Fiscal Year 2004-2005.

Exemption Type	Total Value	Total Value %
Charitable Nonprofit	2,664,289,000	59.41%
Homeowners	645,150,000	14.38%
Colleges/Universities	438,856,000	9.79%
Hospitals	392,168,000	8.74%
Religious Organizations	220,201,000	4.91%
Churches	86,628,000	1.93%
Private Schools	12,663,000	0.28%
Museums/Libraries	12,245,500	0.27%
Veterans	11,543,000	0.26%
Miscellaneous	1,143,000	0.03%

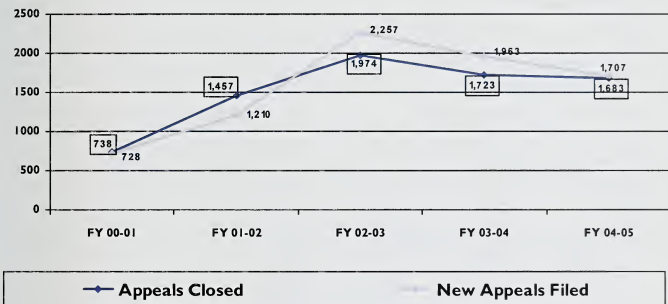
*City and County Controller's Office

http://www.sfgov.org/site/uploadfiles/controller/budget_information/taxrev/prop_1205.doc

Appeals

Assessment Appeals Historic Activity

An assessee may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year. The Assessment Appeals Board is a three-member panel that conducts hearings on property assessment disputes between the taxpayer and the Assessor-Recorder. The chart below shows the historic activity of assessment appeals over the last five years.



Assessment Appeals Activity FY 04-05

This office strives to provide a fair and equal assessment. Only 5.29% of the Assessment Appeals brought to the board were lowered below the Assessor's recommendation.

Resolved without a hearing	1,198	71.18 %
Lowered to Assessors' recommendation	150	8.91 %
Invalid applications	123	7.31 %
Lowered by Assessment Appeals Board to a value lower than Assessors' recommendation	89	5.29 %
Denied by lack of appearance	52	3.09 %
Denied by the Assessment Appeals Board	29	1.72 %
Lowered by Assessment Appeals Board to a value higher than Assessor's recommendation	18	1.07 %
Stipulations approved by the Assessment Appeals Board	10	0.59 %
Stipulations rejected by the Assessment Appeals Board	7	0.42 %
Cancelled by the Assessment Appeals Board	5	0.30 %
Penalty abated by the Assessment Appeals Board	2	0.12 %
Total Number of Appeals Closed	1,683	100.00 %



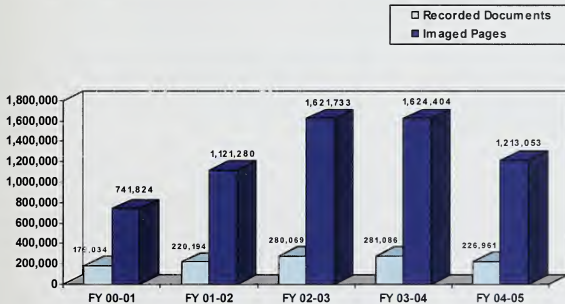
Assessment Appeals Decisions Fiscal Year 2004-2005

Year Appealed	Property	Value on Roll	Applicant's Opinion	Assessor's Opinion	Board Decision	Value Defended
2003	Embarcadero Center	\$1,178,706,918	\$1,134,010,000	\$1,140,016,129	\$1,140,016,129	\$6,006,129
2003	Bank of America Building	907,510,882	408,000,000	747,000,000	743,500,000	335,500,000
2002	Bank of America Building	889,716,556	430,000,000	852,800,000	820,600,000	390,600,000
1999	Westin St. Francis	292,000,000	172,200,000	275,000,000	223,401,023	51,201,023
2002	345 California (First Interstate)	210,064,280	97,500,000	196,700,000	152,700,000	55,200,000
2003	Hyatt Regency	183,867,821	128,000,000	143,000,000	143,500,000	15,500,000
2003	Grand Hyatt	160,809,132	129,000,000	135,500,000	135,500,000	6,500,000
2002	650 California	157,080,000	110,000,000	151,900,000	151,900,000	41,900,000
2003	1 California	144,342,327	70,000,000	112,200,000	112,200,000	42,200,000
2003	100 California	92,335,500	48,000,000	70,500,000	68,300,000	20,300,000
2003	Sheraton- Fisherman's Wharf	92,609,124	55,750,000	65,500,000	65,500,000	9,750,000
2002	Sheraton- Fisherman's Wharf	90,793,260	67,500,000	81,500,000	81,500,000	14,000,000
2003	150 California	74,776,243	40,000,000	60,250,000	61,000,000	21,000,000
Total		\$4,474,612,043	\$2,889,960,000	\$4,031,866,129	\$3,899,617,152	\$1,009,657,152

Recorder

The mission of the Recorder is to serve as custodian of public records and recorder of real property documents for the county, and register marriage licenses and other public documents while providing the highest level of courtesy, efficiency, and cost-effective service to all customers. On a daily basis, the highly well-trained staff of the recorder reviews, analyzes, and interprets large volumes of documents and determines whether they are recordable and in compliance with various state codes and local ordinances. The Recorder is responsible for interpreting and applying the requirements of the County Transfer Tax Ordinance with regard to any lands, tenements, or other realty sold within the county. The Recorder also has the responsibility to collect and allocate the necessary recording fees pertaining to the Real Estate Prosecution Trust Fund and Monument Preservation Fund.

Official Recorded Documents and Imaged Pages Volume



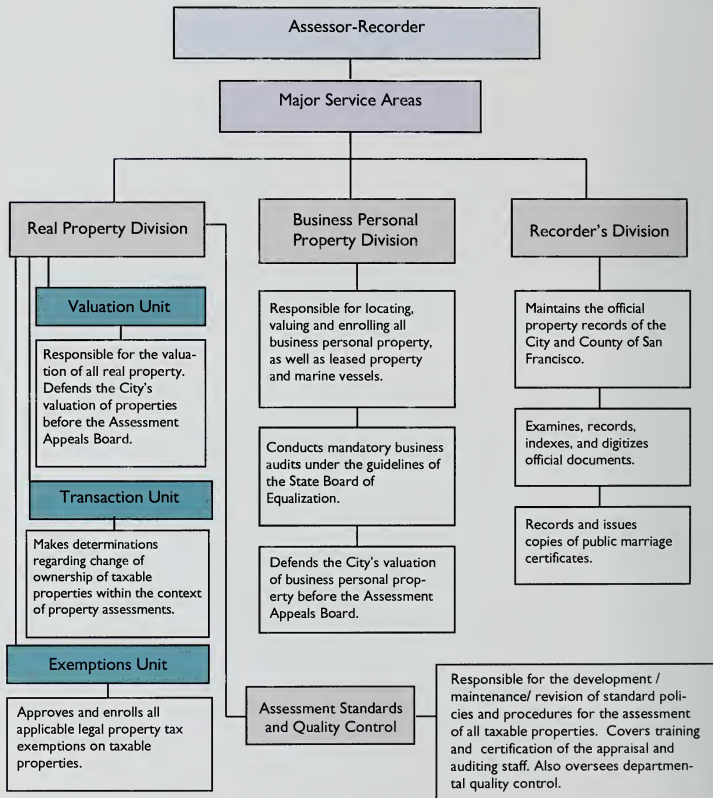
Most Frequently Recorded Document Types For FY 04-05

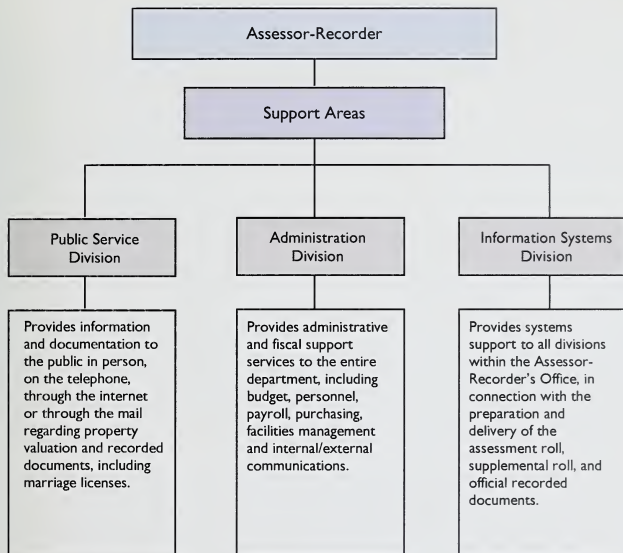
These document types comprise over 85% of the total recorded documents:

Deed of Trust	21.6%
Reconveyance	17.7%
Deed	12.4%
Notice of Tax Lien	10.0%
Substitution of Trustee	9.5%
Release of Tax Lien	8.1%
Abstract of Judgment	3.2%
Assignment of Rents	2.1%



Responsibilities







Frequently Asked Questions (FAQs)

When is Real Estate reappraised?

Under State law (Proposition 13), real property is reappraised only when a change-in-ownership occurs, upon completion of new construction or upon a change in use. Except for these three circumstances, property assessments cannot be increased by more than 2% annually, based on the California Consumer Price Index. The property tax rate is 1% plus any bonds, fees, or special charges.

When a sale or transfer occurs, the Assessor's Office receives a copy of the deed and determines if a reappraisal is required under State law. If a reappraisal is required, an appraisal is made to determine current market value of the property. The owner is then notified of the new assessment. The owner has the right to appeal the assessed value.

The transfer of property between spouses or registered domestic partners does not require a reappraisal for property tax purposes. This includes transfers resulting from divorce or death of a spouse or domestic partner. In addition, a refinancing will not cause a reappraisal. There are other exclusions for senior citizens, the disabled, and those involving parent/child transfers which are discussed later.

What new construction is reappraised?

When the homeowner/taxpayer applies for a building construction permit with the Department of Building Inspection, the Assessor's Office receives copies of the permit. If the construction is new (such as a room addition), a reappraisal is required. If the construction is for replacement, repair, or maintenance, a reappraisal is not required. In appraising new construction, the market value of the addition is determined and added to the value of the existing property. The existing property, however, is not reappraised. As with a change-in-ownership, the owner is notified of the new assessment and can appeal the assessed value.

What is a Supplemental Assessment?

State law requires the Assessor to reappraise property, immediately upon change-in-ownership, completion of new construction or change in use. The Assessor's Office must issue a supplemental assessment that reflects the difference between the prior assessed value and the new assessment. This value is then prorated based on the number of months remaining in the fiscal year ending June 30. This supplemental is in addition to the regular tax bill. To appeal a supplemental assessment, an application must be filed with the Clerk of the Board within 60 days from the mailing of notice of tax bill.

How do I appeal my assessed value?

Under State law, if the current market value of your property (to recent comparable sales) falls below the assessed or taxable value as shown on your tax bill, the Assessor's Office is required to lower the assessment. This type of property tax relief generally applies to recently purchased property. There are two periods during the year in which the taxpayer may appeal their assessed value for a temporary reduction:

Between March through May:

During this period, the taxpayer may submit a written request to the Assessor, indicating their opinion of value and providing supporting documentation, such as sales of comparable properties or a recent appraisal.

Between July 2 and September 15:

During this period, the taxpayer must file an application form. Appeal forms can be obtained from the Assessment Appeals Board located in City Hall, Room 405 and must be filed with the Clerk of the Assessment Appeals Board.

Frequently Asked Questions (FAQs) ***(Continued)***

Can I visit your office and do my own search?

Yes. We always encourage the public to conduct your own searches by accessing our computer systems and general index on microfiche and microfilm, we also have staff on duty to assist you or answer any questions.

Does your office have map records?

The office carries three types of maps: block maps, parcel and condominium maps. For block maps, please provide the block number. For parcel and/or condominium maps always provide the book and page. Block maps are printed on 8 1/2" by 11" for a \$3.00 fee per map. Parcel and/or condominium maps are printed on 18" by 24" for \$5.00 the first page and \$3.00 each additional page per map.

How can I apply for reducing my taxes as a homeowner?

If you own a home and occupy it as your principal place of residence on January 1, you may apply for an Homeowners Exemption of \$7,000 from your assessed value. New property owners will automatically receive an exemption application in the mail. Homeowner's exemptions may also apply to a supplemental assessment if the property was not previously receiving a Homeowners' Exemption. There is no charge for filing for the Homeowner's Exemption.

How can I apply for reducing my taxes as a veteran?

Certain exemptions are available for veterans. A Veterans Homeowner's Exemption is available for the home of a disabled veteran or a disabled veteran's spouse, if the veteran, because of an injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. If qualified, veterans are provided exemptions up to \$150,000 of taxable value. An unmarried surviving spouse may also be eligible if the service person died as the result of a service-connected injury or disease while on active duty in the military.

Will my property be reassessed if I give it to my children?

The transfer of real property between parents and children can be excluded from reappraisal for property tax purposes. The principal place of residence and up to a maximum of \$1,000,000 in assessed value of any additional property may be transferred without an assessment increase. An application must be filed with the Assessor's Office to determine eligibility for this exclusion.

Are there exclusions available for Seniors or Disabled Persons?

Disabled property owners or senior citizens over 55 years of age can buy a replacement residence of equal or lesser value than their existing home and transfer their current tax value to the new home. The purpose of this is to provide tax relief for disabled persons and seniors by preventing a property tax increase if they sell their existing home and buy another one.

What can I do if the market value of my property declines?

If you disagree with the value of your property, you should contact our Real Property Division. If a reduction in value is justified, we can adjust the value or if not, aid you in applying to the Assessment Appeals Board for relief. If you file an assessment appeal on an existing value, such appeal must be filed with the County Assessment Appeals Board (City Hall, Room 405).



Frequently Asked Questions (FAQs) (Continued)

What if my home is damaged from a fire or an earthquake?

If a major calamity such as a fire, earthquake or flooding damages or destroys your property, you may be eligible for property tax relief. In such cases, the Assessor's Office will reappraise the property to reflect its damaged condition. In addition, when you rebuild it in a like or similar manner, the property will retain its previous assessment for tax purposes. To qualify for property tax relief, you must file a calamity claim form with the Assessor's Office within 60 days from the date the property was damaged or destroyed and the loss must exceed \$5,000.

What is Business Personal Property?

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

I received a Business Property Statement (Form 571-L, 571-R), what's this all about?

The Assessor's records indicate that you were doing business at this location on the lien date, January 1. The lien date is the day that the taxes became a lien on the property and/or its owners, even though the valuation and tax bills have not yet been computed and mailed. The tax lien date is January 1 of each year (Revenue and Taxation Code, Section 2192). All machinery, equipment, fixtures, construction in progress and leasehold improvement held or used in connection with a trade or business are taxable as business property. The property statement is a means for you to declare all your taxable business property located within the City and County on the lien date, January 1, and is used to assist the Assessor in determining the value of taxable property for assessment purposes.

How is the assessed value determined?

Assessment begins with the cost of the asset, including sales tax, freight and installation. The Assessor applies a depreciation factor to the asset cost and this becomes the assessed value. The depreciation schedule is based on the expected economic life of the asset, and is different from the depreciation schedule used by tax accountants.

When is Business Personal Property appraised?

Unlike real property, business personal property is appraised annually. The owners of all businesses must file a property statement each year with the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation.

Why are you taxing my business assets, under what authority?

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation. Section 201 of the Revenue and Taxation Code of California states that "All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code".

Frequently Asked Questions (FAQs) ***(Continued)***

I have a business in San Francisco but did not receive a Business Property Statement, what shall I do?

You must contact the Assessor's Office to enroll your business and have a 571-L Statement/Form sent to you. You may call our Business Personal Property Division. The 571-L form will have your permanent account number, owner's name, mailing address, and business location. You must complete the form, then sign and return the statement to the Assessor's Office.

Who must file a Business Property Statement?

Per Revenue and Taxation Code, Section 441, you must file a statement if the Assessor's Office has sent you a property statement OR you have taxable personal property with a total cost of \$100,000 or more located within the City and County as of January 1 of each year even if no statement is sent to you. Failure to complete and return the property statement will result in the Assessor estimating the value of your business property and adding a 10% penalty to the assessment (R&T Code, Sections 441, 463 and 501).

What is the last date to file the Business Property Statement without a penalty?

The due date for filing the Business Property Statement is April 1st. A 30-day extension until May 1st may be granted for reasonable cause. The request for extension must be made in writing, preferably on company letterhead, and addressed to Phil Ting, Assessor-Recorder, Business Personal Property Division, 875 Stevenson St., Suite 100, San Francisco, CA 94103. Please indicate the account number, if any, the location of the business and your title. Any property statement filed or postmarked after May 7th will have a 10% penalty added to the assessment.

How much will my taxes be?

Using a tax rate of 1.14% will give a conservative estimate of what the actual tax liability will be. Proposition 13 established a tax rate of 1% of the value of assessable property. San Francisco tax rate is determined by the Board of Supervisors, based on property assessed value and bond measures passed by San Francisco voters. For example, if the business depreciated assessed value is \$25,000 the property taxes on the business assets will be approximately \$285.

What if I don't agree with the value on my tax bill, can I dispute it?

The value can be corrected if a clerical or administrative error was made. In that case, first talk to an auditor how to go about correcting it. However, if the disagreement is a matter of valuation, then you must file an "Application for Changed Assessment" with the Assessment Appeals Board no later than September 15th. Their telephone number is (415) 554-6778. Pay it to avoid penalties (if it can not be cleared by August 31st). A refund will be sent to you if you win the case.

Is there any property that is exempt or that I do not have to report on my Business Property Statement?

The following are some common exempt items that should not be reported: Business Inventory (Revenue and Taxation Code 129), Application Software (Property Tax Rule 152), Licensed Motor Vehicles (R&T Code 10751), First \$50,000 of employee-owned Hand Tools (R&T Code 241).



Glossary

Ad Valorem Property Tax:	Taxes imposed on the basis of the property's value.
Assessed Value	The taxable value of a property against which the tax rate is applied
Assessee	The person to whom the property is being assessed.
Assessment Appeal	The assessee may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year
Assessment Appeals Board	A three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal")
Assessment Roll	The official list of all property within the County assessed by the Assessor.
Assessment Roll Year	The year following the annual lien date and the regular assessment of property, beginning on July 1.
Audit Escape	The discovery of escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question.
Base Year (Value)	The 1975-76 regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction, changes in ownership or changes in use, create the base year value used in establishing the full cash value of such real property.
Business Personal Property	Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property)
Change in Ownership	When a transfer of ownership in Real Property occurs, the Assessor determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base year value of the property transferred, and a supplemental assessment is enrolled
CPI	Consumer Price Index as determined annually by the California Bureau of Labor Statistics.
Exclusions from Reappraisal	Some changes in ownership may be excluded from reappraisal if a timely claim is filed with the Assessor's Office that meets the qualifications. Examples include the transfer of real property between parents and children or senior citizens over age 55 who replace their principal residence.
Exemption	Allowance of a deduction from the taxable assessed value of the property as prescribed by law.
Homeowners Exemptions	People who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are reimbursed to the County by the State of California.

Glossary

Exemptions: Other	Charitable, hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled Veterans (for 100% service-connected disabled Veterans) are eligible for exemption.
Factored Base Year Value	A property's base year value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The factored base year value is the upper limit of taxable value each year.
Fiscal Year	The period beginning July 1 and ending June 30.
Fixture	An improvement to real property whose purpose directly applies to or augments the process or function of a trade, industry or profession.
Full Cash Value (FCV)	The amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1.
Improvements	Buildings or structures generally attached to the land. Improvements may also include certain business fixtures.
Lien	The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.
Lien Date	The time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1 (effective January 1, 1997) preceding the fiscal year for which the taxes are collected. The lien date for prior years was March 1.
New Base Year (Value)	The full cash value of property on the date it changes ownership or when new construction is completed.
New Construction	The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.
Parcel	Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes.
Personal Property	Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.)
Possessory Interest (PI)	The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. A taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property.
Proposition 13	Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.



Glossary

Proposition 8	Passed by California voters in November 1978, Proposition 8 requires for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.
Real Property	Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.
Roll	A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.
Roll Unit	A parcel of property or a business personal property account that is assessed for annual valuation.
Secured Roll	Property on which the property taxes are a lien against the real estate.
Special Assessments	Direct charges, or flat fees against property which are included in the total tax bill but are not based upon the Assessor's valuation of the property. Examples are a sewer charge or a school parcel tax.
State Board of Equalization	The State Board consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are imposed by the State Constitution and the Legislature. The State Board regulates county assessment practices and administers a variety of State and local business tax programs.
Supplemental Assessment	When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment roll. It is based on the net difference between the previous assessed
Supplemental Roll	The roll, prepared or amended, contains properties in which a change in ownership or completed new construction occurred.
Tax Rates	The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.
Tax Roll	The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.
Transfer	Change in the ownership of, or change in the manner which, property is held.
Unsecured Roll	Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land.

Important Dates for Property Owners

January 1	The date taxes for the next fiscal year become a lien on property.
February 15	Deadline to file all exemption claims.
April 1	Due date for filing statements for business personal property and marine vessels.
April 10	Last day to pay second installment of secured property taxes without penalty.
May 7	Last day to file a business personal property statement without incurring a 10% penalty.
July 1	Local assessment roll is surrendered to the Controller. The local assessment roll is the official list of all taxable property within the County.
July 2	First day to file assessment appeal application with the Assessment Appeals Board.
August 31	Regular roll unsecured taxes due.
September 15	Last day to file an assessment appeal application for reduced assessment with the Assessment Appeals Board, unless extended to November 30.
December 10	Last day to pay first installment of secured property taxes without penalty.



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ON THE COVER: *Clockwise from upper left:* condominium property in San Francisco, Golden Gate Bridge, single family residential property in San Francisco, Hotel Nikko, Embarcadero Center, City Hall.

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PHIL TING, ASSESSOR-RECORDER
OFFICE OF THE ASSESSOR-RECORDER
CITY & COUNTY OF SAN FRANCISCO



2006

ANNUAL REPORT

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Message from the Assessor-Recorder

Thank you for your interest in the San Francisco Office of the Assessor-Recorder; it is my honor to serve you. This report provides information on the state of property values in San Francisco and gives insight into our office's role in City and County government.

The Office of the Assessor-Recorder is committed to valuing property in a fair and equitable manner according to California's Revenue and Taxation Laws and strives to collect every tax dollar owed to the city.

At the close of my first full fiscal year in office, I am pleased to report that the 2006 Assessment Roll total is **\$120 Billion - an increase of nearly \$8 billion (7%) over the previous year**. This record roll, when combined with another strong year of transfer taxes (over \$130 million), has resulted in the Department generating **an all time high of \$1.48 billion in tax revenue for San Francisco**. We take great pride in this, as the revenue we generate provides funding for crucial public services, such as public schools, hospitals, parks, police and fire. Our success has a direct impact on City services and is a major component of the City's revenue.

One of my major goals coming into office was to reduce the four year assessment backlog which consists of any property that has undergone new construction or changed ownership during one fiscal year and is re-assessed in another. Some key hires and a renewed focus have us well on our way to my goal of permanently clearing the backlog and preventing any further backlog accumulation.

The Office of the Assessor-Recorder is a complex operation, and we are pleased to include all the names of our diverse and talented staff within this report. It is a testament to their hard work, dedication and skill that we have achieved a record- breaking year both on time and on budget. It is an honor and a pleasure to serve with this fine group.

From day one, I have stressed my commitment to our goal of providing superior and courteous service. We are constantly striving to find better and more efficient ways to serve the public. If after reading this report, you find yourself with any questions or suggestions, I encourage you to please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Ting", written in a cursive, flowing style.

Phil Ting, Assessor-Recorder
City & County of San Francisco

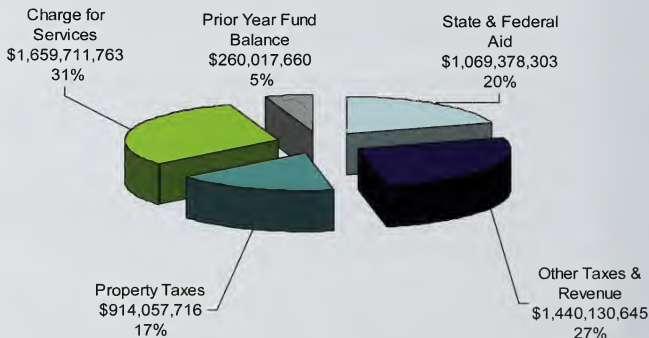


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REVENUE

The City & County of San Francisco acquires its revenue from four diverse sources. Independently, the property taxes incurred through assessments by the Assessor-Recorder's office account for 17% of the City and County's General Fund. In addition to being allocated to the City and County, property tax is distributed to the San Francisco Unified School District, the Community College District, the Bay Area Air Quality Management District, and BART. Property Tax is a tax placed on real and business personal property. It is an ad valorem tax, which means that it is based on a percentage of the property's value. There are three different types of property: real, personal and utility. Real property refers to the ownership of land and any improvements, if any, to the land. Personal property is any property except real estate, including boats, airplanes and all business property. Business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software. Utility property is property owned by utilities, such as railroads.

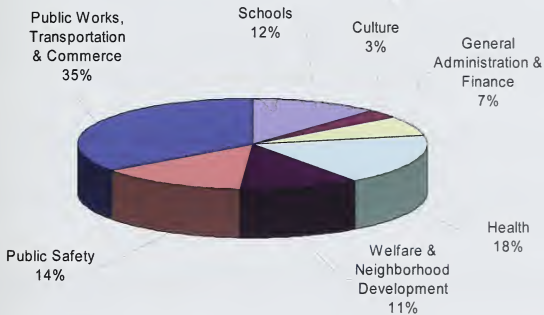
WHERE DOES THE CITY'S REVENUE COME FROM?



* From the Fiscal Year 2005-2006 Budget

Taxes and other revenues pay for essential city services such as such as education, public safety, public transportation, and public health. They comprise the City's Budget which was \$5.3 billion for Fiscal Year 2005-2006.

HOW IS THE MONEY SPENT?



PROPOSITION 13

Passed by California voters in 1978, Proposition 13 established a maximum property tax rate of one percent (1%) of the assessed value, plus any voter approved bonded indebtedness, service fees, improvements bonds and special assessments. Proposition 13 also set a property's base value at its 1975-76 market value and limited increases to the assessed value of real property by no more than 2 percent per year or the Consumer Price Index (CPI), whichever is lower. Real property is reassessed at its current fair market value at the time there is a change in ownership, completion of new construction or a change in use. This reassessment establishes a new base year value.



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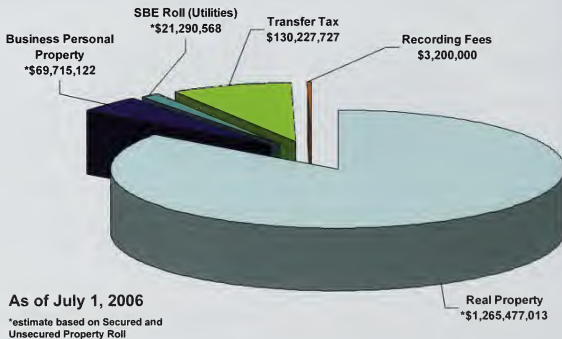
Real property may also be reassessed when the economy declines and market values decrease. The owner is entitled to a temporary adjustment in the assessed value of the property if its assessed value was more than the market value on the lien date, January 1st of every year. Temporary reductions of this sort are mandated by Proposition 8 which was passed by the voters in 1978. "Prop 8" reductions are also processed by the Assessor-Recorder's Office and our office sees many more requests for these reductions when the real estate market is in a state of decline.

Proposition 13 tightly regulates property tax policy and was enacted in order to keep property taxes stable and predictable relative to variances in the housing market. Since the passage of Proposition 13, average assessed values have remained considerably lower than average sales prices in counties across the State.

HOW MUCH REVENUE DOES THE ASSESSOR-RECORDER GENERATE?

The Office of the Assessor-Recorder generated **more than \$1.48 billion dollars last year**. This is an increase of **12% over the \$1.32 billion** that the office generated during the 2004-2005 fiscal year.

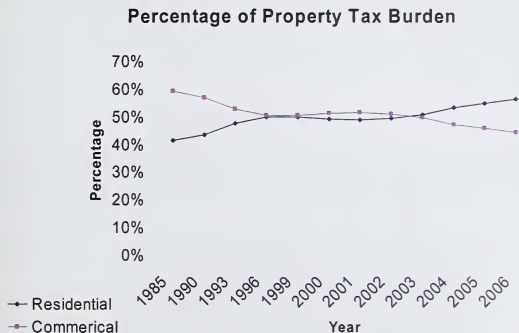
HOW MUCH REVENUE DOES THE ASSESSOR-RECORDER GENERATE?



RESIDENTIAL VS. COMMERCIAL TAX BURDEN

Over the last 30 years, the property tax burden has shifted from commercial to residential property owners. The commercial property figures include income-producing properties, such as apartment buildings.

This graph demonstrates the change since 2000 wherein residential property overtook commercial property owners as the primary source of property tax revenue. As the value of homes in San Francisco has steadily risen since 2000, homeowners have assumed a larger share of the tax burden.

COMMERCIAL VS. RESIDENTIAL TAX BURDEN



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ASSESSMENT ROLL

The Assessment Roll is the official list of all property within the County assessed by the Assessor, and is separated into a secured and unsecured roll. The secured roll includes property on which the property taxes are a lien against the real estate. The unsecured roll includes property on which the property taxes are not a lien against the real estate where they are situated, including business personal property or improvements located on leased land. This means that if the property owner defaults on the payment of property taxes, the City can foreclose on the home. Foreclosure occurs more frequently with residential property owners, since so many businesses lease their properties.

The types of properties that qualify for exemptions include those owned by non-profit organizations, religious organizations, hospitals and schools, among others. Residential properties where the property is the owner's primary residence also qualify for the Homeowner's Exemption. More detail on exemptions is provided later in this document.

The Assessment Roll has increased by 36.5 % for the past six years. During the Fiscal 2005-2006 year the value of assessed property increased by nearly \$8 billion, marking the largest leap since 2001. Much of this growth is attributed to a strong real estate market where property changes hands more frequently and its value increases with each change in ownership.

REAL PROPERTY

The assessment roll, which contains approximately 190,000 parcels, is the basis on which property taxes are levied. **Real property taxes accounted for over \$1.2 billion**, clearly distinguishing real property assessments as the primary revenue generating function of the office.



ASSESSMENT ROLL HISTORY



ASSESSMENT ROLL SUMMARY

	2006	2005	% Change
Secured Roll	\$115,043,364,839	\$106,729,794,172	8%
Unsecured Roll	7,716,886,687	7,240,353,035	7%
SBE Roll (Utilities)	1,935,506,225	2,076,581,092	- 7%
Less: Exemptions	-4,949,251,781	- 3,995,388,142	24%
Total	\$119,746,505,870	\$112,051,340,157	7%



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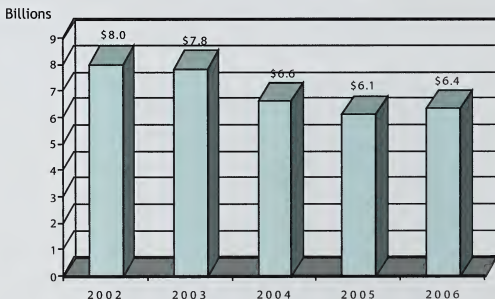
BUSINESS PERSONAL PROPERTY

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation.

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

Our office has a Business Personal Property unit that sends what are called 571-L statements to all San Francisco businesses where they must report their personal property and its value. Unlike real property, business personal property is appraised annually. The owners of all businesses must file a property statement each year with the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation. This same staff conducts routine audits of many of these businesses and their work generates nearly 5% of the total revenue that the office generates.

PERSONAL PROPERTY ROLL VALUES



2006 SECURED ASSESSMENT ROLL BY REAL PROPERTY TYPE

Of the approximately 190,000 properties on the assessment roll, 88% are residential and the other 12% are non-residential properties including those that are categorized as commercial, industrial and mixed use. Although a much larger portion of the property count is comprised of residential properties, the non-residential properties account for 33% of all assessed values. Note the large growth in value over the course of the 2005-2006 fiscal year of the "Others/Miscellaneous" category. Their value in 2004-2005 was \$1.7 million and now it has reached \$2.4 million. This is due largely to the sale of hundreds of "mixed use" (buildings that contain both residential and commercial properties) units in neighborhoods such as South of Market, Mission Bay and South Beach.

ASSESSMENT ROLL BY PROPERTY TYPE

(includes SBE roll value)

Property type	Roll Value	Value Growth from Previous Year	Value %	Parcel Count	Parcel %
Single Family Residential	\$ 52,868,699,593	15%	46%	129,782	68%
Multi-Family Residential	23,947,637,972	12%	21%	38,050	20%
Commercial	33,970,393,311	-1%	29%	14,858	8%
<i>Hotel & Motel</i>	<i>4,763,392,939</i>	<i>5%</i>	<i>4%</i>	<i>794</i>	<i>0%</i>
<i>Office</i>	<i>17,797,527,330</i>	<i>-1%</i>	<i>15%</i>	<i>1,332</i>	<i>1%</i>
<i>Non-office</i>	<i>11,409,472,843</i>	<i>-3%</i>	<i>10%</i>	<i>12,732</i>	<i>7%</i>
Industrial	2,293,799,697	7%	2%	2,475	1%
Others/ Miscellaneous	2,470,278,075	42%	2%	7,076	4%
Total	\$ 115,550,808,449	9%	100%	192,241	100%





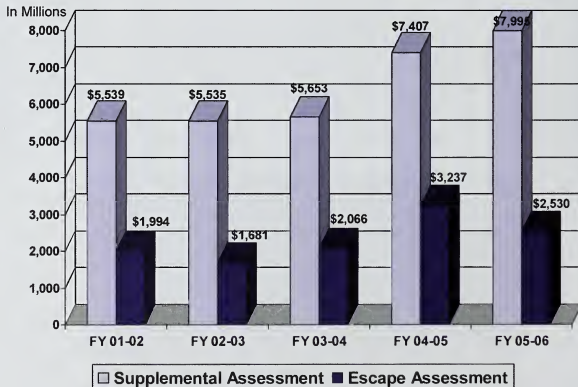
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SUPPLEMENTAL AND ESCAPE ASSESSMENTS

Supplemental and Escape Assessments are performed in addition to the work that goes into processing the regular assessment roll. A Supplemental Assessment refers to an assessment in which there has been a change in ownership, new construction or change in use, all of which may result in a change in assessed value. They occur during the fiscal year and are therefore supplemental to the annual property tax bill. The supplemental bill reflects the increase or decrease in value following the event that triggered the supplemental assessment, so the new amount is either added to or subtracted from the existing assessed value. Property owners will receive notices of these changes after the property is reassessed.

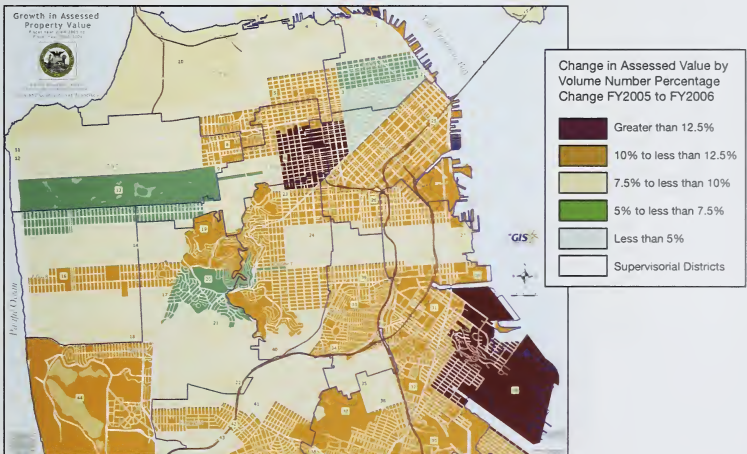
An Escape Assessment refers to an assessment of a property in which there was a change in ownership, new construction or change in use in a previous fiscal year, but for whatever reason escaped assessment and did not get placed on that year's roll. Over the last five years, the Assessor-Recorder's Office has improved our processing of both supplemental and escape assessments, resulting in an increase in net value of 44% and 27%, respectively.

SUPPLEMENTAL AND ESCAPE ASSESSMENT VALUES



ASSESSMENT ROLL GROWTH

As demonstrated by the map below, the areas with the largest growth in value were those where the City is investing in redesigning and redeveloping neighborhoods. **While there was still substantial growth in the eastern portion of the City, including the South of Market District, there was more growth in the Central North and Southeast parts of the City.** The Central North consists of the neighborhoods of Hayes Valley, Alamo Square, and Western Addition. Two factors contributing to the growth in these areas are the completion of the Market and Octavia Neighborhood Plan which has resulted in a revitalization of surrounding neighborhoods and an increase in residential and commercial property values. Similarly, in the southeastern neighborhood of Hunter's Point, the construction of the Third Street Light Rail has triggered an increase in the value of surrounding commercial and residential properties. Simultaneously, the San Francisco Redevelopment Agency (RDA) moved forward with its plans for the Bayview neighborhood and the Shipyard in Hunter's Point which include the development of thousands of new housing units and additional retail space.





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2006 ASSESSMENT ROLL

TOP TEN PROPERTY ASSESSEES 2006 ASSESSMENT ROLL

Assessee	Type of Business	Assessed Value (\$000s)
Embarcadero Center Venture	Offices, Commercial	1,224,727
Pacific Gas & Electric Co.	Utilities	1,094,860
555 California Street LLC	Offices, Commercial	795,000
EOP – One Market LLC	Offices	424,443
Marriott Hotel	Specialty Retail & Hotels	389,794
Post – Montgomery Associates	Offices, Commercial	389,743
SBC California	Utilities, Communications	337,476
BRE – St. Francis LLC	Specialty Retail & Hotels	321,971
101 California Venture	Offices, Commercial	281,980
China Basin Ballpark Co. LLC	Possessory Interest – Stadium	248,429
Total Taxable Assessed Valuation - All Above Assesseees		5,508,423



QUALIFYING EXEMPTIONS

An exemption is an allowance of a deduction from the taxable assessed value of the property as prescribed by law. For example, you may apply for the Homeowner's Exemption of \$7,000 from your assessed value if you own a home and occupy it as your principal place of residence on January 1. Listed below are the various types of exemptions available and the total value of each exemption type for Fiscal Year 2005-2006.

**2006 ASSESSMENT ROLL
QUALIFYING EXEMPTIONS**

note: the items below do not include exemptions from the unsecured roll

Exemption Type	Total Value	Total Value %
Charitable Nonprofit	2,798,821,615	60%
Homeowners	646,665,600	14%
Colleges/Universities	471,938,635	10%
Hospitals	422,326,397	9%
Religious Organizations	239,212,423	5%
Churches	87,858,927	2%
Private Schools	8,644,314	0.10%
Museums/Libraries	13,328,402	0.30%
Veterans	12,259,634	0.30%
Miscellaneous	2,788,171	0.01%
TOTAL	\$4,703,844,118	100.0%

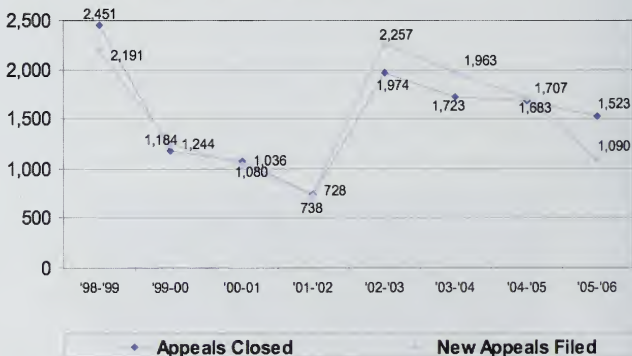


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ASSESSMENT APPEALS HISTORIC ACTIVITY

If a taxpayer disagrees with the assessed value of his or her property, he/she may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year. Appeal applications must be filed between July 2nd and September 15th in order to request a hearing with the Assessment Appeals Board (AAB). The AAB is a three-member panel that conducts hearings on property assessment disputes between the taxpayer and the Assessor-Recorder. The chart below shows the historic activity of assessment appeals over the last five years. The Assessor-Recorder's office saw an increase in the number of appeals filed during between 2000 and 2002 when the economy began to slow. As it improved after 2004, the number of appeals filed declined and continues to do so. As fewer appeals are filed, our office has more time to close old appeals, hence the numbers we see below wherein the number of appeals filed was 43% below the number of appeals closed during the 2005-2006 fiscal year – a reverse in the trend from previous years. You can link to more information on the Assessment Appeals Board through the Board of Supervisors homepage on the City's website.

ASSESSMENT APPEALS HISTORIC ACTIVITY



ASSESSMENT APPEALS ACTIVITY FY 05-06

The Office of the Assessor-Recorder strives to provide fair and equal assessment. During Fiscal Year 2005-2006, the AAB resolved 1,523 appeals. **Out of the 16% of those appeals where the AAB provided an adjustment to the assessed value, only 3% were lowered below the Assessor-Recorder's recommendation.**

**ASSESSMENT APPEALS ACTIVITY
FOR FISCAL YEAR 2005-2006**

Resolved without a hearing	1,084	71%
Lowered to Assessors' recommendation	189	12%
Invalid applications	97	6%
Lowered by Assessment Appeals Board to a value lower than Assessors' recommendation	43	3%
Denied by lack of appearance	31	2%
Denied by the Assessment Appeals Board	20	1%
Lowered by Assessment Appeals Board to a value higher than Assessor's recommendation	14	1%
Stipulations approved by the Assessment Appeals Board	30	2%
Stipulations rejected by the Assessment Appeals Board	2	0%
Misc. outcomes	13	1%
Total Number of Appeals Closed	1,523	100.00%





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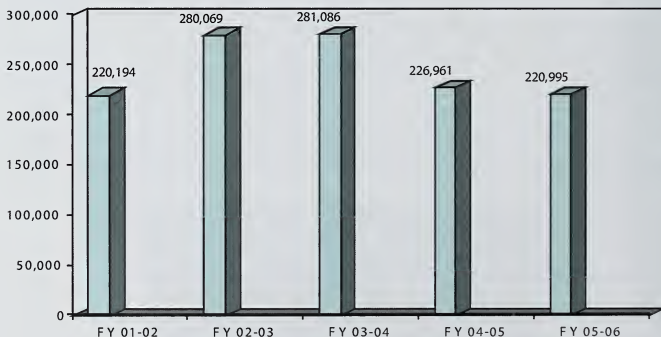
RECORDER

The Recorder serves as custodian of public records and recorder of real property documents for the county, and registers marriage licenses and other public documents. The Recorder maintains an index and issues copies of all recorded documents to members of the public that request them.

The Recorder staff reviews, analyzes, and interprets large volumes of documents and determines whether they are recordable and in compliance with various state codes and local ordinances. The Recorder is responsible for interpreting and applying the requirements of the County Transfer Tax Ordinance with regard to any lands, tenements, or other realty sold within the county. The Recorder also has the responsibility to collect and allocate the necessary recording fees pertaining to the Real Estate Prosecution Trust Fund and Monument Preservation Fund.

The gradual slowdown of the real estate market, coupled with an increase in the interest rates, has caused a decrease in the recordings of real estate transactions (i.e., deeds) and financial documents (deeds of trust and reconveyance).

COUNT OF OFFICIAL RECORDED DOCUMENTS



MOST FREQUENTLY RECORDED DOCUMENT TYPES FOR FY 05-06

**These document types comprise 80%
of total recorded documents:**

Deed of Trust	21%
Reconveyance	20%
Deed	13%
Notice of Tax Lien	11%
Substitution of Trustee	9%
Release of Tax Lien	2%
Abstract of Judgement	2%
Assignment of Rents	2%



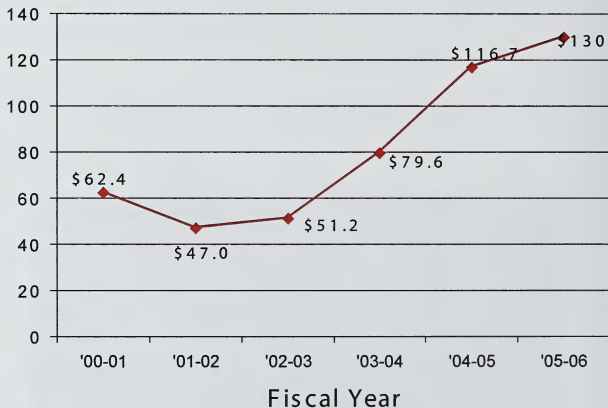


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TRANSFER TAX REVENUE

A transfer tax is a tax imposed when real estate is sold or transferred from one entity to another. A change in policy to collect transfer tax at the time of recording with a "change in ownership document" has resulted in a vast improvement in the revenue generated by transfer tax during the past two years. **This past fiscal year, the Assessor-Recorder's office generated \$ 130.2 million from transfer taxes, which is an 11.5 % increase from the previous fiscal year.** Revenue from the Transfer Tax continues to increase as the real estate market in San Francisco performs well. Because it is tied to the exchange of properties and their value, the Transfer Tax is a volatile revenue stream and could easily decrease if there is a market downturn, as it did during the dot-com bust of five years ago.

TRANSFER TAX REVENUE



BIOGRAPHY OF THE ASSESSOR-RECORDER

On July 21, 2005, Phil Ting was appointed and then elected on November 8, 2005 as Assessor Recorder of the City and County of San Francisco.

Phil Ting began his career as a real estate financial advisor and has practical and hands-on experience in fiscal management and property assessments. As a Senior Consultant at Arthur Andersen, Phil has spent countless hours in the field assessing and appraising the value of real estate. At CB Richard Ellis and SSR Realty Advisors, Phil utilized his real estate finance skills to help underwrite and recommend the purchase of \$200 million worth of real estate investments, create \$3 million operating budgets, and develop strategic vision and performance goals.

Phil has advised government agencies and corporations on how to increase fiscal efficiency and be more responsive to clients and constituents. He helped identify cost-saving opportunities and evaluated key organizational processes and streamlined operations for The State of California, Applied Materials, Sun Microsystems, and various technology-based Fortune 500 Companies.

Phil has served as the Executive Director of the Asian Law Caucus, founded in 1972 to advance and promote the legal and civil rights of the Asian Pacific Islander community. Phil oversaw all aspects of the organization, including fundraising and fiscal management of the \$1.1 million annual budget, legislative advocacy, staff management, and public relations. Phil also serves on California's first ever Asian and Pacific Islander American Affairs Commission, and has served on the California Secretary of State's Task Force on Uniform Poll Worker Training Standards and San Francisco's Building Inspections Commission. Additionally, Phil has co-chaired the California Coalition on Civil Rights, which is comprised of 48 organizations across the state.

Since assuming office in July of 2005, Phil has been working to reform the office and find new revenue for San Francisco. Phil has focused on reducing the four year backlog which has generated millions of additional tax dollars for the city. In addition, Phil has introduced groundbreaking legislation aimed at capturing unreported changes of ownership. This legislation will equip the Assessor-Recorder's office with another tool to capture revenue that is owed to San Francisco.

Phil came into office with a focus on improving customer service. Assessor Ting has increased the number of front counter staff in order to better serve the public. In addition to increasing staffing, the Assessor has also increased community outreach. The Assessor-Recorder's office offers a variety of property tax exemptions and Phil has focused on increasing outreach that informs San Franciscans of their tax payer rights. Phil is committed to ensuring the city serves all its residents by working to increase the use of Chinese and Spanish by translating our letters and website and working with 3-1-1 to offer more services over the phone.

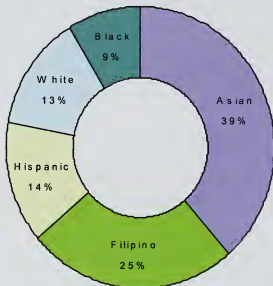
Phil currently lives in San Francisco's Sunset District with his wife, Susan Sun.



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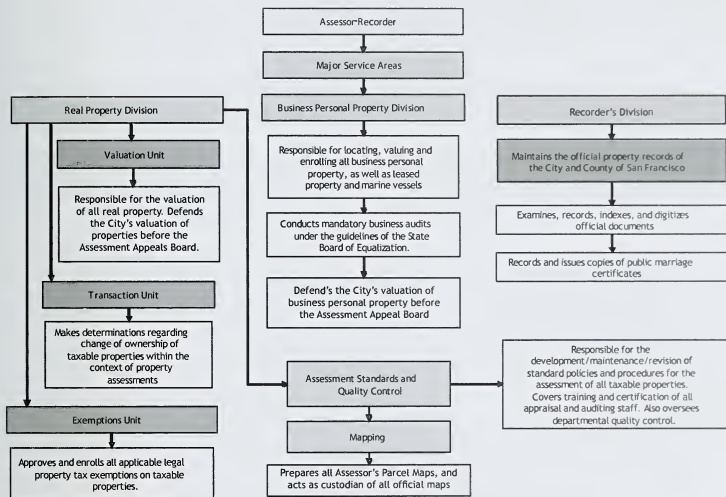
STAFF COMPOSITION

The Office of the Assessor-Recorder is proud to have a hard-working, devoted staff. As indicated in the chart below, the staff comes from a variety of cultural backgrounds.



ASSESSOR-RECORDER STAFF

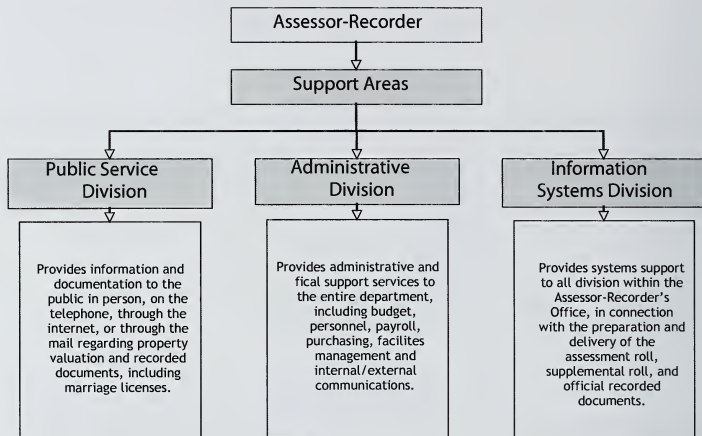
Mo'min Abdun-Noor ~ Terris Abhaya ~ Maria Ahumada ~ Roland Alcantara ~ Caroline Arguelles ~ Ophelia Armendarez ~ Sally Aung ~ Darius Bahador ~ James Bias ~ Arlene Boongaling ~ Natividad Caramat ~ Carlos Castillo ~ Johnny Catanjal ~ Charles Chan ~ Iris Chan ~ Jimmy Chan ~ Larry Chan ~ Kit Chau ~ Anita Chen ~ Alice Cheung ~ Stephen Chin ~ Sandra Chow ~ Stella Chow ~ Diane Cimincione ~ Ellen Collaco ~ Teresa Contro ~ Lenore Crawford ~ Charles Crowder ~ Joseph Curtin ~ Federico De Guzman ~ Rufino De Leon ~ Ma Patria Desales ~ Tam Doan ~ Craig Dziedzic ~ Wah Eng ~ Natalya Epelbaum ~ Pio Factor ~ Myrna Flores ~ Julie Ford ~ Iluminada Gaerlan ~ Donna Gilliam ~ Georgina Gogna ~ George Gomez ~ Jocelyn Gordon ~ Leticia Granados ~ Carmelita Harris ~ Carlota Hilario ~ Victor Hua ~ Michael Huang ~ Harvey Huey ~ John Hui ~ Carolyn Hunter ~ Hakam Ibrahim ~ Buena Ignacio ~ Abdul Janjua ~ Michael Jine ~ Alice Kim ~ Kimberly Kitano ~ Marjorie Knettle ~ Diosdado Kudemus ~ May Lau ~ Joselito Laudencia ~ Guadalupe Laurente ~ Joe Lee ~ Liza Lee ~ Ricky Lee ~ Rodney Leggett ~ Julia Leiva ~ Maurilio León ~ Thida Leung ~ Mara Lim ~ Carrie Liou ~ Mario Los Banos ~ Suzette Love ~ Angela Lucas ~ Meng Luu ~ Fernando Mendoza ~ Shanna Ngo ~ Zoon Nguyen ~ James Pan ~ Melissa Panday-Shrawder ~ Oscar Pasamonte ~ Feliciano Payumo ~ Chona Pazcoguin ~ Kathleen Pierpont ~ Sandy Pubill ~ Catherine Quiambao ~ Maria Quinones ~ Edward Rafael ~ Daniel Reyes ~ Felix Rodriguez Jr. ~ Brix Salbino ~ Christopher Sam ~ Dinora Sanchez ~ Gladys Sanchez ~ Ruth Santana ~ Kan Shen ~ Julie Shu ~ Edward Smith ~ Robert Spencer ~ Ronald Sto-Domingo ~ Eileen Sullivan ~ Lena Surjadi ~ Pauline Tam ~ Susana Tan ~ Gilbert Tang ~ Terry Tanjutco-Smith ~ Diana Thach ~ Alex Tharayil ~ Matthew Thomas ~ Phillip Ting ~ Fanny Truong ~ Felemino Uban ~ Manuel Uy ~ Concepcion Vindell ~ Donald Wiggam ~ Vincent Williams ~ Gregory Wong ~ Joan Wong ~ Joanne Wong ~ Julie Wu ~ Teresita Xander

RESPONSIBILITIES



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OFFICE DIVISIONS



FREQUENTLY ASKED QUESTIONS (FAQS)

When is Real Estate reappraised?

Under State law (Proposition 13), real property is reappraised only when a change-in-ownership occurs, upon completion of new construction or upon a change in use. Except for these three circumstances, property assessments cannot be increased by more than 2% annually, based on the California Consumer Price Index. The property tax rate is 1% plus any bonds, fees, or special charges.

When a sale or transfer occurs, the Assessor's Office receives a copy of the deed and determines if a reappraisal is required under State law. If a reappraisal is required, an appraisal is made to determine current market value of the property. The owner is then notified of the new assessment and the owner has the right to appeal the assessed value.

The transfer of property between spouses or registered domestic partners does not require a reappraisal for property tax purposes. This includes transfers resulting from divorce or death of a spouse or domestic partner. In addition, a refinancing will not cause a reappraisal. There are other exclusions for senior citizens, the disabled, and those involving parent/child transfers which are discussed later.

What new construction is reappraised?

When the homeowner/taxpayer applies for a building construction permit with the Department of Building Inspection, the Assessor's Office receives the permit. The construction is new (such as a room addition), a reappraisal is required. If the construction is for replacement, repair, or maintenance, a reappraisal is not required. In appraising new construction, the market value of the addition is determined and added to the value of the existing property. The existing property, however, is not reappraised. As with a change-in-ownership, the owner is notified of the new assessment and can appeal the assessed value.

What is a Supplemental Assessment?

State law requires the Assessor to reappraise property, immediately upon change-in-ownership, completion of new construction or change in use. The Assessor's Office must issue a supplemental assessment that reflects the difference between the prior assessed value and the new assessment. This value is then prorated based on the number of months remaining in the fiscal year ending June 30. This supplemental is in addition to the regular tax bill. To appeal a supplemental assessment, an application must be filed with the Clerk of the Board within 60 days from the mailing of notice of the supplemental assessment tax bill.

How do I appeal my assessed value?

Under State law, if the market value of your property (recent comparable sales) as of January 1 falls below the assessed or taxable value as shown on your tax bill, the Assessor's Office is required to lower the assessment. This type of property tax relief generally applies to recently purchased property. Assessment appeals may be filed from July 2 to September 15. Please make sure to file your application with the Assessment Appeals Board before the deadline.

Informal Review of Assessment

If you have reason to believe that the market value of your property as of January 1 is less than the amount shown on your annual notice and you have factual evidence to support a lowered assessment, you can request an informal review by a staff appraiser by contacting us before September 1 by phone (415) 554-5596 or email assessor@sfgov.org. Requesting an informal review does not preclude you from filing a formal appeal with the Assessment Appeals Board.



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Assessment Appeals Board

If you disagree with the assessed value or our informal review, you may file a formal "Application for Changed Assessment" with the Assessment Appeals Board, an independently appointed review board. Application information can be obtained from the Clerk of the Assessment Appeals Board, City Hall – Room 405, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, phone (415) 554-6778 or web at www.sfgov.org/aab. Assessment appeals must be filed with the Clerk between July 2 and September 15.

Can I visit your office and do my own search?

Yes. We always encourage the public to conduct your own searches by accessing our computer systems and general index on microfiche and microfilm, we also have staff on duty to assist you or answer any questions.

Does your office have map records?

The office carries three types of maps: block maps, parcel and condominium maps. For block maps, please provide the block number. For parcel and/or condominium maps always provide the book and page. Block maps are printed on 8 ½" by 11" for a \$3.00 fee per map. Parcel and/or condominium maps are printed on 18" by 24" for \$5.00 the first page and \$3.00 each additional page per map.

How can I apply for reducing my taxes as a homeowner?

If you own a home and occupy it as your principal place of residence on January 1, you may apply for a Homeowner's Exemption of \$7,000 from your assessed value. New property owners will automatically receive an exemption application in the mail. Homeowner's exemptions may also apply to a supplemental assessment if the property was not previously receiving a Homeowner's Exemption. There is no charge for filing for the Homeowner's Exemption.

How can I apply for reducing my taxes as a veteran?

Certain exemptions are available for veterans. A Disabled Veterans Homeowner's Exemption is available for the home of a disabled veteran or a disabled veteran's spouse, if the veteran, because of an injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. If qualified, veterans are provided exemptions up to \$150,000 of taxable value. An unmarried surviving spouse may also be eligible if the service died as the result of a service-connected injury or disease while on active duty in the military.

Will my property be reassessed if I give it to my children?

The transfer of real property between parents and children may be excluded from reappraisal for property tax purposes. The principal place of residence and up to a maximum of \$1,000,000 in assessed value of any additional property may be transferred without an assessment increase. An application must be filed with the Assessor's Office to determine eligibility for this exclusion.

Are there exclusions available for Seniors or Disabled Persons?

Disabled property owners or senior citizens over 55 years of age can buy a replacement residence of equal or lesser value than their existing home and transfer their current tax value to the new home. The purpose of this is to provide tax relief for disabled persons and seniors by preventing a property tax increase if they sell their existing home and buy another one.

What can I do if the market value of my property declines?

If you disagree with the value of your property, you should contact our Real Property Division. If a reduction in value is justified, we can adjust the value or if not, aid you in applying to the Assessment Appeals Board for relief. If you file an assessment appeal on an existing value, such appeal must be filed with the County Assessment Appeals Board (City Hall, Room 405).

What if my home is damaged from a fire or an earthquake?

If a major calamity such as a fire, earthquake or flooding damages or destroys your property; you may be eligible for property tax relief. In such cases, the Assessor's Office will reappraise the property to reflect its damaged condition. In addition, when you rebuild it in a like or similar manner, the property will retain its previous assessment for tax purposes. To qualify for property tax relief, you must file a calamity claim form with the Assessor's Office within 60 days from the date the property was damaged or destroyed and the loss must exceed \$5,000.

What is Business Personal Property?

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

I received a Business Property Statement (Form 571-L, 571-R), what's this all about?

The Assessor's records indicate that you were doing business at this location on the lien date, January 1. The lien date is the day that the taxes became a lien on the property and/or its owners, even though the valuation and tax bills have not yet been computed and mailed. The tax lien date is January 1 of each year (Revenue and Taxation Code, Section 2192). All machinery, equipment, fixtures, construction in progress and leasehold improvement held or used in connection with a trade or business are taxable as business property. The property statement is a means for you to declare all your taxable business property located within the City and County on the lien date, January 1, and is used to assist the Assessor in determining the value of taxable property for assessment purposes.

How is the assessed value determined?

Assessment begins with the cost of the asset, including sales tax, freight and installation. The Assessor applies a depreciation factor to the asset cost and this becomes the assessed value. The depreciation schedule is based on the expected economic life of the asset, and is different from the depreciation schedule used by tax accountants.

When is Business Personal Property appraised?

Unlike real property, business personal property is appraised annually. The owners of all businesses must file a property statement each year with the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation.

Why are you taxing my business assets, under what authority?

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people



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are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation. Section 201 of the Revenue and Taxation Code of California states that "All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code".

I have a business in San Francisco but did not receive a Business Property Statement, what shall I do?

You must contact the Assessor's Office to enroll your business and have a 571-L Statement/Form sent to you. You may call our Business Personal Property Division. The 571-L form will have your permanent account number, owner's name, mailing address, and business location. You must complete the form, then sign and return the statement to the Assessor's Office.

Who must file a Business Property Statement?

Per Revenue and Taxation Code, Section 441, you must file a statement if the Assessor's Office has sent you a property statement OR you have taxable personal property with a total cost of \$100,000 or more located within the City and County as of January 1 of each year even if no statement is sent to you. Failure to complete and return the property statement will result in the Assessor estimating the value of your business property and adding a 10% penalty to the assessment (R&T Code, Sections 441, 463 and 501).

What is the last date to file the Business Property Statement without a penalty?

The due date for filing the Business Property Statement is April 1st. A 30-day extension until May 1st may be granted for reasonable cause. The request for extension must be made in writing, preferably on company letterhead, and addressed to Phil Ting, Assessor-Recorder, Business Personal Property Division, 875 Stevenson St., Suite 100, San Francisco, CA 94103. Please indicate the account number, if any, the location of the business and your title. Any property statement filed or postmarked after May 7th will have a 10% penalty added to the assessment.

How much will my taxes be?

Using a tax rate of 1.14% will give a conservative estimate of what the actual tax liability will be. Proposition 13 established a tax rate of 1% of the value of assessable property. San Francisco tax rate is determined by the Board of Supervisors, based on property assessed value and bond measures passed by San Francisco voters. For example, if the business depreciated assessed value is \$25,000 the property taxes on the business assets will be approximately \$285.

What if I don't agree with the value on my tax bill, can I dispute it?

The value can be corrected if a clerical or administrative error was made. In that case, first talk to an auditor how to go about correcting it. However, if the disagreement is a matter of valuation, then you must file an "Application for Changed Assessment" with the Assessment Appeals Board no later than September 15th. Their telephone number is (415) 554-6778. Pay it to avoid penalties (if it can not be cleared by August 31st). A refund will be sent to you if you win the case.

Is there any property that is exempt or that I do not have to report on my Business Property Statement?

The following are some common exempt items that should not be reported: Business Inventory (Revenue and Taxation Code 129), Application Software (Property Tax Rule 152), Licensed Motor Vehicles (R&T Code 10751), First \$50,000 of employee-owned Hand Tools (R&T Code 241).

GLOSSARY

Ad Valorem Property Tax	Taxes imposed on the basis of the property's value.
Assessed Value	The taxable value of a property against which the tax rate is applied
Assessee	The person to whom the property is being assessed.
Assessment Appeal	The assessee may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year
Assessment Appeals Board	A three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal")
Assessment Roll	The official list of all property within the County assessed by the Assessor.
Assessment Roll Year	The year following the annual lien date and the regular assessment of property, beginning on July 1.
Audit Escape	The discovery of escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question.
Base Year (Value)	The 1975-76 regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction or changes in ownership create the base year value used in establishing the full cash value of such real property.
Business Personal Property	Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property)
Change in Ownership	When a transfer of ownership in Real Property occurs, the Assessor determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base value of the property transferred, and a supplemental assessment is enrolled
CPI	Consumer Price Index as determined annually by the California Bureau of Labor Statistics.
Exclusions from Reappraisal	Some changes in ownership may be excluded from reappraisal if a timely claim is filed with the Assessor's Office that meets the qualifications. Examples include the transfer of real property between parents and children or senior citizens over age 55 who replace their principal residence.
Exemption	Allowance of a deduction from the taxable assessed value of the property as prescribed by law.
Homeowner's Exemption	People who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are reimbursed to the County by the State of California.
Exemptions: Other	Charitable, hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled Veterans (for 100%, service-connected disabled Veterans) are eligible for exemption.



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Factored Base Year Value	A property's base value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The factored base value is the upper limit of taxable value each year.
Fiscal Year	The period beginning July 1 and ending June 30.
Fixture	An improvement to real property whose purpose directly applies to or augments the process or function of a trade, industry or profession.
Full Cash Value (FCV)	The amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1.
Improvements	Buildings or structures generally attached to the land. Improvements may also include certain business fixtures.
Lien	The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.
Lien Date	The time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1 (effective January 1, 1997) preceding the fiscal year for which the taxes are collected. The lien date for prior years was March 1.
New Base Year (Value)	The full cash value of property on the date it changes ownership or when new construction is completed.
New Construction	The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.
Parcel	Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes.
Personal Property	Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.)
Possessory Interest (PI)	The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. An example of a PI includes the exclusive right to use public property at an airport such as a car rental company's service counter. The vendors are subject to property taxes. Regardless of the type of document evidencing the right to possession, a taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property.
Proposition 13	Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.
Proposition 8	Passed by California voters in November 1978, Proposition 8 requires for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.
Real Property	Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.

Roll	A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.
Roll Unit	A parcel of property or a business personal property account that is assessed for annual valuation.
Roll Year	See "Assessment Roll Year."
SBE	See "State Board of Equalization."
Secured Roll	Property on which the property taxes are a lien against the real estate.
Special Assessments	Direct charges or flat fees against property which are included in the total tax bill but are not based upon the Assessor's valuation of the property. Examples are a sewer charge or a school parcel tax.
State Board of Equalization	The State Board consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are imposed by the State Constitution and the Legislature. The State Board regulates county assessment practices and administers a variety of State and local business tax programs.
Supplemental Assessment	When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment roll. It is based on the net difference between the previous assessed
Supplemental Roll	The roll, prepared or amended, contains properties in which a change in ownership or completed new construction occurred.
Tax Rates	The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.
Tax Roll	The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.
Transfer	Change in the ownership of, or change in the manner which, property is held. Depending
Unsecured Roll	Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land. on the specific situation, a transfer may trigger a reassessment of the property.





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IMPORTANT DATES FOR PROPERTY OWNERS

January 1	The date taxes for the next fiscal year become a lien on property.
February 15	Deadline to file all exemption claims.
April 1	Due date for filing statements for business personal property and marine vessels.
April 10	Last day to pay second installment of secured property taxes without penalty.
May 7	Last day to file a business personal property statement without incurring a 10% penalty.
July 1	Local assessment roll is surrendered to the Controller. The local assessment roll is the official list of all taxable property within the County.
July 2	First day to file assessment appeal application with the Assessment Appeals Board.
August 31	Regular roll unsecured taxes due.
September 15	Last day to file an assessment appeal application for reduced assessment with the Assessment Appeals Board, unless extended to November 30.
December 10	Last day to pay first installment of secured property taxes without penalty.



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OFFICE OF THE ASSESSOR-RECORDER CITY & COUNTY OF SAN FRANCISCO

1 Dr. Carlton B. Goodlett Place,
City Hall, Room 190
San Francisco, CA 94102-4698

Phone: (415) 554-5596
Fax: (415) 554-4179
Email: assessor@sfgov.org
Website: www.sfgov.org/assessor

The Assessor-Recorder's Office is open Monday thru Friday 8:00 A.M. to 5:00 P.M., excluding legal holidays. Document recording is available 8:00 A.M. to 4:00 P.M. We have a public service desk that is staffed during business hours where you can inquire about property, tax rates and recorded documents.

If you have a question about your tax bill, please contact the Treasurer/Tax Collector at 554-7500 or www.sfgov.org/tax.

You can also call "3-1-1" for information and assistance with any non-emergency services, or dial (415) 701-2311 (voice) or (415) 701-2323 (TTY) if calling from outside the 415 area code.

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PHIL TING, ASSESSOR-RECORDER
OFFICE OF THE ASSESSOR-RECORDER
CITY & COUNTY OF SAN FRANCISCO



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Message from the Assessor-Recorder

The Office of the Assessor-Recorder is committed to valuing property in a fair and equitable manner according to California's Revenue and Taxation Laws and strives to identify every tax dollar owed to the city.

Thank you for taking an interest in the San Francisco Assessor-Recorder's Office; it is my honor to serve you. This report provides information on the state of property values in San Francisco and gives insight into our office's role in City and County government.



Our success has a direct impact on City services and is a major component of the City's revenue, which is why I am pleased to report that the 2007 Assessment roll totals over \$130 billion – a **\$10 billion increase (8%) over the previous year**. When combined with another strong year of collecting transfer taxes (over \$144 million), the Department generated more than **\$1.54 billion in tax revenue for San Francisco**.

It has been a banner year, and I'd like to take a moment to highlight some of our significant accomplishments, along with some of what we have been and will continue to work on in the coming year:

Quick Facts

- The \$1.2 billion in property tax our office generated makes up approximately 30% of San Francisco's General Fund
- The \$144 million collected in transfer tax marks an increase of 30% over what was originally budgeted (\$105 million), which contributed to a total of \$62 million in additional revenue our department generated over original projections
- 205,000 documents were recorded over the past year
- The Assessor-Recorder's website (www.sfgov.org/assessor) is the second most visited among www.sfgov.org department sites

Backlog Reduction

We continue to make progress in reducing the backlog which consists of any property that has undergone new construction or changed ownership during one fiscal year and is re-assessed in another. We have managed to reduce what was once a four-year backlog in half, and are on our way to my goal of permanently clearing it and preventing any further backlog accumulation.

Notice of Assessed Value Letters

While the annual mailing of these notices has been a regular practice for other California counties, our office followed suit for the first time in my first full year in office (2006). This year, marking the second year we have sent these letters notifying property owners of the assessed value of their property, we put together a much more comprehensive mailing including FAQ's and an option for the property owner to inform us if they would like to receive future correspondence in a language other than English. The Notice of Assessed Value Letter gives property owners the opportunity to estimate what their taxes will be for this year and to financially prepare for it when they receive their property tax bill.



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Language Access/Cultural Competency

We are dedicated to leading the way in improving language access and cultural competency in every City department. Our goal is that all San Francisco residents have equal access to City services, including those with limited English proficiency. We have been working with City Administrator and the 311 Customer Service Center to spearhead the coordination of language translation services and on centralizing web, verbal, and document translations for every department in the City.

Corporate Accountability

In our ongoing effort to make sure everyone pays their fair share in taxes, we were pleased to announce that our office managed to collect \$11.7 million in additional revenue from the Blackstone Group after sending a letter to the company demanding they pay transfer tax owed to the City regarding downtown office properties that were sold earlier this year. This is part of our commitment to ensure that big companies, not just homeowners, follow the tax laws and that the Assessor-Recorder office collects every tax dollar owed to the City.

Solar Task Force

In February of 2007, I launched the San Francisco Solar Task Force consisting of labor, business, environmental and civic leaders. We have committed accelerating the adoption of solar power in San Francisco to help the City reach its 10,000 Solar Roofs goal. Among other recommendations, the Task Force is recommending that San Francisco lead the way in greening our environment by offering a locally-administered incentive program to help offset costs for residential and commercial property owners who go solar. We have also collaborated with relevant City and County Departments to streamline the solar permitting process and help publicize the benefits and availability of solar energy in San Francisco.

The aforementioned accomplishments can be in a large part attributed to the dedication and skill of our diverse and talented staff. It is a testament to each and every one of them that we have once again achieved so much both on time and on budget. My gratitude goes out to the over 120 members that make up our team.

From day one, I have stressed my commitment to our goal of providing superior and courteous service. We are constantly striving to find better and more efficient ways to serve the public. If after reading this report, you find yourself with any questions or suggestions, I encourage you to please contact our office.

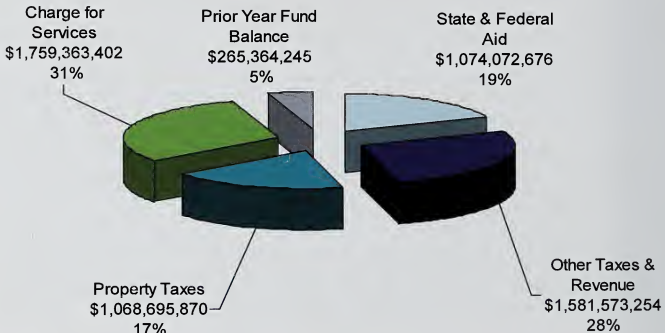
Sincerely,

Phil Ting, Assessor-Recorder
City & County of San Francisco

REVENUE

The City & County of San Francisco acquires its revenue from four diverse sources. **Independently, the property taxes incurred through assessments by the Assessor-Recorder's office account for 17% of the City and County's Total Fund.** In addition to being allocated to the City and County, property tax is distributed to the San Francisco Unified School District, the Community College District, the Bay Area Air Quality Management District, and BART. Property Tax is a tax placed on real and business personal property. It is an ad valorem tax, which means that it is based on a percentage of the property's value. There are three different types of property: real, personal and utility. Real property refers to the ownership of land and any improvements, if any, to the land. Personal property is any property except real estate, including boats, airplanes and all business property. Business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software. Utility property is property owned by utilities, such as railroads.

WHERE DOES THE CITY'S REVENUE COME FROM?



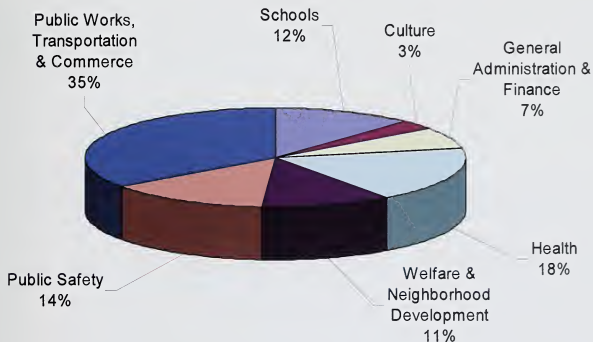
*From the Fiscal Year 2006 -2007 Budget



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Taxes and other revenues pay for essential City services such as education, public safety, public transportation, and public health. They comprise the City's Budget which was \$5.7 billion for Fiscal Year 2006-2007.

HOW IS THE MONEY SPENT?



PROPOSITION 13

Passed by California voters in 1978, Proposition 13 established a maximum property tax rate of one percent (1%) of the assessed value, plus any voter approved bonded indebtedness, service fees, improvements bonds and special assessments. Proposition 13 also set a property's base value at its 1975-76 market value and limited increases to the assessed value of real property by no more than 2 percent per year or the Consumer Price Index (CPI), whichever is lower. Real property is reassessed at its current fair market value under two conditions: 1) when there is a change in ownership, and 2) upon completion of new construction or a change in use. This reassessment establishes a new base year value. It is this base year value upon which the 1% tax rate is based.

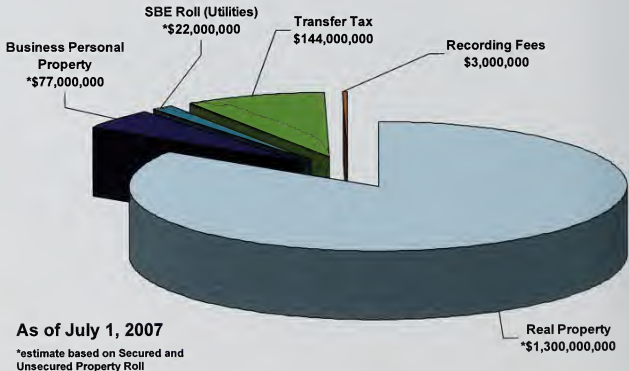
Real property may also be reassessed when the economy declines and market values decrease. The owner is entitled to a temporary adjustment in the assessed value of the property if its assessed value was more than the market value on the lien date which is January 1st of every year. Temporary reductions of this sort are mandated by Proposition 8 which was passed by the voters of California in 1978. "Prop 8" reductions are also processed by the Assessor-Recorder's Office and our office sees many more requests for these reductions when the real estate market is in a state of decline.

Proposition 13 tightly regulates property tax policy and was enacted in order to keep property taxes stable and predictable relative to variances in the housing market. Since the passage of Proposition 13, average assessed values have remained considerably lower than average sales prices in counties across the State.

How much revenue does the Assessor-Recorder generate?

The Office of the Assessor-Recorder generated more than \$1.54 billion dollars in tax revenue last year. This is an increase of 4% over the \$1.48 billion that the office generated during the 2005-2006 fiscal year.

HOW MUCH REVENUE DOES THE ASSESSOR-RECORDER GENERATE?





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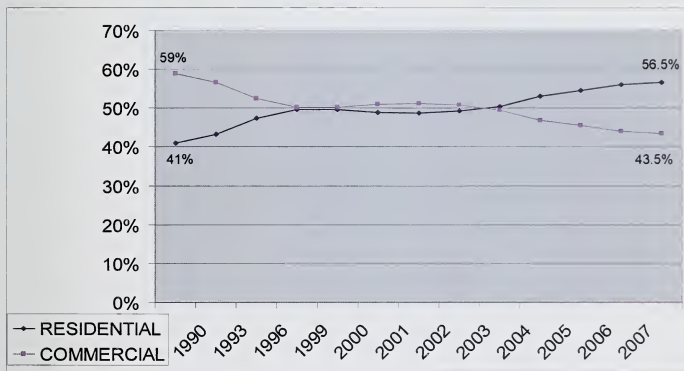
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RESIDENTIAL VS. COMMERCIAL TAX BURDEN

Over the last 17 years, the property tax burden has shifted from commercial to residential property owners. The commercial property figures include income-producing properties, such as commercial office space and apartment buildings. The residential property figures represent owner-occupied properties.

This graph demonstrates the change since 2000 wherein residential property overtook commercial property owners as the primary source of property tax revenue. As the value of homes in San Francisco has steadily risen since 2000, homeowners continue to assume a larger share of the tax burden.

RESIDENTIAL VS. COMMERCIAL TAX BURDEN





ASSESSMENT ROLL

The Assessment Roll is the official list of all property within the County assessed by the Assessor, and is separated into a secured and unsecured roll. The secured roll includes property on which the property taxes are a lien against the real estate. The unsecured roll includes property on which the property taxes are not a lien against the real estate where they are situated, including business personal property or improvements located on leased land. This means that if the property owner defaults on the payment of property taxes, the City can place a lien on the home. Foreclosure occurs more frequently with residential property owners, since so many businesses lease their properties.

The types of properties that qualify for exemptions include those owned by non-profit organizations, religious organizations, hospitals and schools, among others. Residential properties where the property is the owner's primary residence also qualify for the Homeowner's Exemption. More detail on exemptions is provided later in this document.

The Assessment Roll has increased by \$42 billion over the past seven years (nearly 48%). During the Fiscal 2006-2007 year the value of assessed property increased by \$10 billion. Much of this growth is attributed to a strong real estate market where property changes hands more frequently and its value increases with each change in ownership.

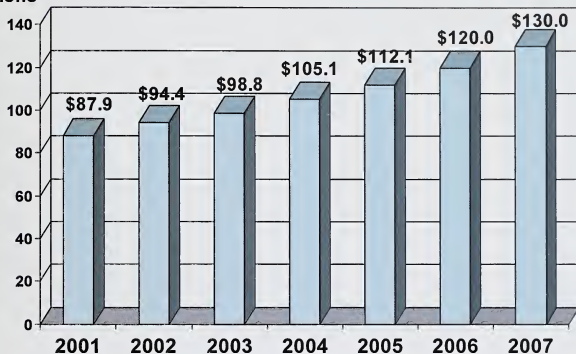
REAL PROPERTY

The assessment roll, which contains approximately 195,000 parcels, is the basis on which property taxes are levied. Real property taxes accounted for \$1.3 billion, clearly distinguishing real property assessments as the primary revenue generating function of the office.



ASSESSMENT ROLL HISTORY

Billions



ASSESSMENT ROLL SUMMARY

	2007	2006	% Change
Secured Roll	\$125,319,139,041	\$115,043,364,839	9%
Unsecured Roll	8,063,783,795	7,716,886,687	4.5%
SBE Roll (Utilities)	2,130,732,556	1,935,506,225	10%
Less: Exemptions	-5,509,176,849	-4,949,251,781	11%
Total	\$ 130,004,478,543	\$119,746,505,870	8.5%

BUSINESS PERSONAL PROPERTY

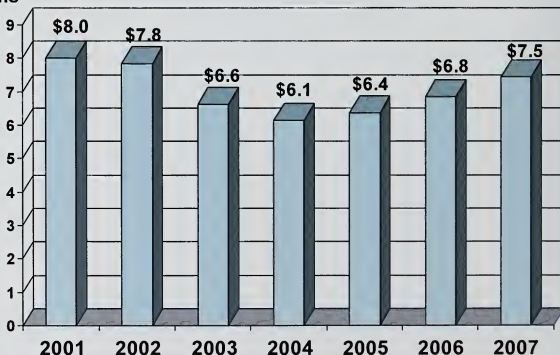
All property is subject to property tax unless otherwise exempt. Most people are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation.

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

Our Business Personal Property unit sends what are called "571-L" statements to all San Francisco businesses where they must report their personal property and its value. Unlike real property, business personal property is appraised annually. Each owner of a business must file a property statement each year with the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation. This same staff conducts routine audits of many of these businesses and their work generates nearly 5% of the total revenue that the office generates.

PERSONAL PROPERTY ROLL VALUES

Billions





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2007 SECURED ASSESSMENT ROLL BY REAL PROPERTY TYPE

Of the approximately 195,000 properties on the assessment roll, 88% are residential and the other 12% are non-residential properties including those that are categorized as commercial, industrial and mixed use. Although a much larger portion of the property count is comprised of residential properties, the non-residential properties account for 33% of all assessed values.

ASSESSMENT ROLL BY PROPERTY TYPE

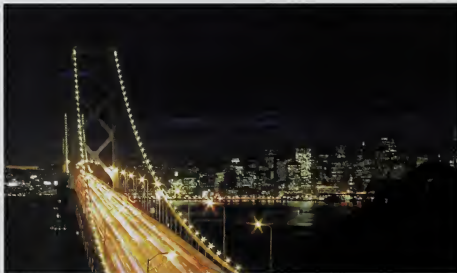
(includes SBE roll value)

Property type	Roll Value	Value Growth from Previous Year	Value %	Parcel Count	Parcel %
Single Family Residential	\$ 57,952,770,358	10%	46%	132,147	68%
Multi-Family Residential	25,925,571,412	8%	21%	38,000	20%
Commercial	36,417,229,876	7%	29%	14,847	8%
<i>Hotel & Motel</i>	4,983,046,526	5%	4%	752	0%
<i>Office</i>	18,649,811,987	5%	15%	1,438	1%
<i>Non-office</i>	12,784,371,363	12%	10%	12,657	7%
Industrial	2,442,799,021	6%	2%	2,413	1%
Others/Miscellaneous	2,580,768,375	4%	2%	6,792	3%
Total	\$ 125,319,139,041	8%	100%	194,199	100%



2007 ASSESSMENT ROLL**TOP TEN PROPERTY ASSESSEES
2007 ASSESSMENT ROLL**

Assessee	Type of Business	Assessed Value (\$000s)
555 California Street LLC	Offices, Commercial	868,020
EOP – One Market LLC	Offices, Commercial	433,498
Marriott Hotel	Specialty Retail & Hotels	405,542
Four Embarcadero Center Venture	Offices, Commercial	365,081
Post – Montgomery Associates	Offices, Commercial	355,944
One Embarcadero Center Venture	Offices, Commercial	314,698
Three Embarcadero Center Venture	Offices, Commercial	296,043
Embarcadero Center Associates	Offices, Commercial	294,873
Emporium Mall LLC	Offices, Commercial	293,702
101 California Venture	Offices, Commercial	293,372
Total Taxable Assessed Valuation - All Above Assesseees		3,920,773





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QUALIFYING EXEMPTIONS

An exemption is an allowance of a deduction from the taxable assessed value of the property as prescribed by law. For example, you may apply for the Homeowner's Exemption of \$7,000 from your assessed value if you own a home and occupy it as your principal place of residence as of January 1 of the year in which you apply. Listed below are the various types of exemptions available and the total value of each exemption type for Fiscal Year 2006-2007.

2007 ASSESSMENT ROLL QUALIFYING EXEMPTIONS

(Note: the items below do not include exemptions from the unsecured roll)

Exemption Type	Total Value	Total Value %
Charitable Nonprofit	3,217,174,013	62%
Homeowners	638,610,000	12%
Colleges/Universities	547,017,325	11%
Hospitals	422,732,823	8%
Religious Organizations	213,903,910	4%
Churches	89,995,871	2%
Private Schools	8,592,294	0.10%
Museums/Libraries	13,426,957	0.30%
Veterans	12,438,968	0.30%
Miscellaneous	2,843,933	0.01%
TOTAL	\$5,166,736,094	100.0%

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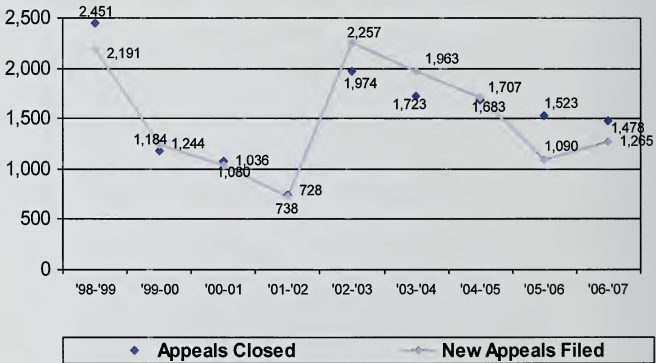
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ASSESSMENT APPEALS HISTORIC ACTIVITY

If a taxpayer disagrees with the assessed value of his or her property, he/she may file an appeal for a reduction of the assessed value on the current local roll during the regular filing period for that year. Appeal applications must be filed between July 2nd and September 15th in order to request a hearing with the Assessment Appeals Board (AAB). The AAB is a three-member panel, under the jurisdiction of the County Board of Supervisors, which conducts hearings on property assessment disputes between the taxpayer and the Assessor-Recorder. The chart below shows the historic activity of assessment appeals over the last five years. The Assessor-Recorder's office saw an increase in the number of appeals filed during between 2000 and 2002 when the economy began to slow. As it improved after 2004, the number of appeals filed declined. This year we have seen the first increase since 2002; a trend which may continue with the recent slowdown in the housing market.

ASSESSMENT APPEALS HISTORIC ACTIVITY



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ASSESSMENT APPEALS ACTIVITY FY 06-07

This office of the Assessor-Recorder strives to provide a fair and equal assessment. During Fiscal Year 2006-2007, the AAB resolved 1,478 appeals. Out of the 17% of those appeals where the AAB provided an adjustment to the assessed value, only 4% were lowered below the Assessor-Recorder's recommendation.

ASSESSMENT APPEALS ACTIVITY FOR FISCAL YEAR 2006-2007

Assessment Appeals Board: of 1,478 closed appeals*

- 63 lowered by the Board	4%
- 191 lowered per Assessor recommendation	13%
- 1,052 withdrawn pre-hearing	71%
• Number of open cases (year to date):	1,022
• Total Value Appealed:	\$27 Billion
• Total Taxpayer Opinion of Value:	\$15 Billion
Total Tax Dollars at stake	\$135 million**

* as of 5/31/07

**Current year plus prior years' assessments (supplementals and escapes) multiplied by the tax rate of 1.14%



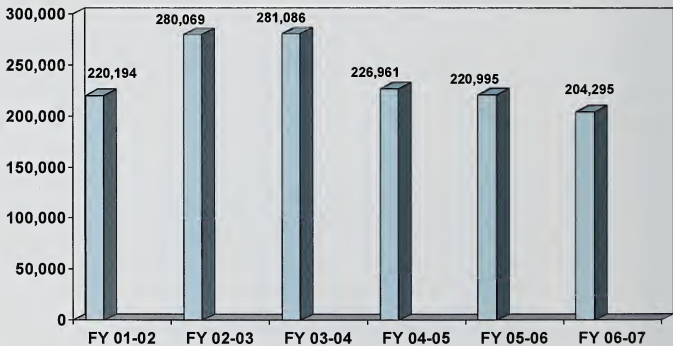
RECORDER

The Recorder serves as the custodian of public records and as such records all real property documents for the county, and registers marriage licenses and other public documents. The Recorder maintains an index and issues copies of all recorded documents to members of the public that request them.

The Recorder staff reviews, analyzes, and interprets large volumes of documents and determines whether they are recordable and in compliance with various state codes and local ordinances. The Recorder is responsible for interpreting and applying the requirements of the County Documentary Transfer Tax Ordinance with regard to any lands, tenements, or other realty sold within the county. The Recorder also has the responsibility to collect and allocate the necessary recording fees pertaining to the Real Estate Prosecution Trust Fund and Monument Preservation Fund.

The gradual slowdown of the real estate market, coupled with an increase in the interest rates, has caused a decrease in the recordings of real estate transactions (i.e., deeds) and financial documents (deeds of trust and reconveyance). This gradual decrease is reflected in the chart below.

COUNT OF OFFICIAL RECORDED DOCUMENTS





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MOST FREQUENTLY RECORDED DOCUMENT TYPES FOR FY 06-07

These document types comprise
80% of total recorded documents:

Deed of Trust	21%
Reconveyance	17%
Deed	13%
Notice of Tax Lien	12%
Substitution of Trustee	10%
Release of Tax Lien	2%
Abstract of Judgement	2%
Assignment of Rents	2%



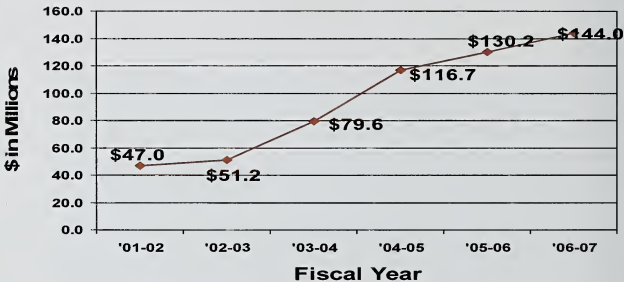
TRANSFER TAX REVENUE

A Documentary Transfer Tax is a tax imposed when real estate is sold or transferred from one entity to another. A change in policy our office adopted which was to collect Transfer Tax at the time of recording with a "change in ownership document" has resulted in a vast improvement in the revenue generated by Transfer Tax during the past two years. This past fiscal year, the Assessor-Recorder's office generated \$144 million from Transfer Taxes, which is an 11% increase from the previous fiscal year.

Revenue from the Transfer Tax continues to increase as the real estate market in San Francisco performs well. Because it is tied to the exchange of properties and their value, the Transfer Tax is a volatile revenue stream and could easily decrease if there is a market downturn, as it did during the dot-com bust of five years ago.

TRANSFER TAX

Reached record highs in 2006-2007 as a result the exchange of 10 downtown commercial properties involving EOP, Blackstone and Morgan Stanley.





BIOGRAPHY OF THE ASSESSOR-RECORDER

On July 21, 2005, Phil Ting was appointed and then elected on November 8, 2005 as Assessor Recorder of the City and County of San Francisco.

Since assuming office, Phil has been working to reform the department and find new revenue for San Francisco. Phil has focused on reducing the four year backlog which has generated millions of additional tax dollars for the city. In addition, Phil has introduced groundbreaking legislation aimed at capturing unreported changes of ownership. This legislation will equip the Assessor-Recorder's office with another tool to capture revenue that is owed to San Francisco.

Phil came into office with a focus on improving customer service. Assessor Ting has increased the number of front counter staff in order to better serve the public. In addition to increasing staffing, the Assessor has also increased community outreach. The Assessor-Recorder's office offers a variety of property tax exemptions and Phil has focused on increasing outreach that informs San Franciscans of their tax payer rights. Phil is committed to ensuring the city serves all its residents by working to increase the use of Chinese and Spanish by translating our letters and website and working with 3-1-1 to offer more services over the phone.

Phil Ting began his career as a real estate financial advisor and has practical and hands-on experience in fiscal management and property assessments. As a Senior Consultant at Arthur Andersen, Phil has spent countless hours in the field assessing and appraising the value of real estate. At CB Richard Ellis and SSR Realty Advisors, Phil utilized his real estate finance skills to help underwrite and recommend the purchase of \$200 million worth of real estate investments, create \$3 million operating budgets, and develop strategic vision and performance goals.

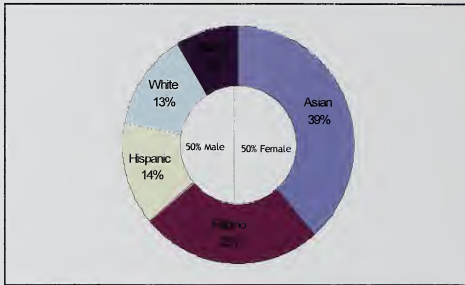
Phil has advised government agencies and corporations on how to increase fiscal efficiency and be more responsive to clients and constituents. He helped identify cost-saving opportunities and evaluated key organizational processes and streamlined operations for the State of California, Applied Materials, Sun Microsystems, and various technology-based Fortune 500 Companies.

Phil has served as the Executive Director of the Asian Law Caucus, founded in 1972 to advance and promote the legal and civil rights of the Asian Pacific Islander community. Phil oversaw all aspects of the organization, including fundraising and fiscal management of the \$1.1 million annual budget, legislative advocacy, staff management, and public relations. Phil also serves on California's first ever Asian and Pacific Islander American Affairs Commission, and has served on the California Secretary of State's Task Force on Uniform Poll Worker Training Standards and San Francisco's Building Inspections Commission. Additionally, Phil has co-chaired the California Coalition on Civil Rights, which is comprised of 48 organizations across the state.

Phil currently lives in San Francisco's Sunset District with his wife, Susan Sun and their daughter Isabella.

STAFF COMPOSITION

The Office of the Assessor-Recorder is proud to have a hard-working, devoted staff. As indicated in the chart below, the staff comes from a variety of cultural backgrounds.

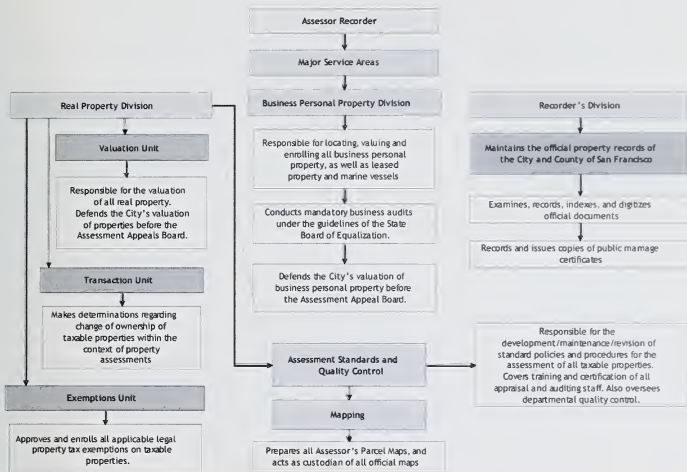


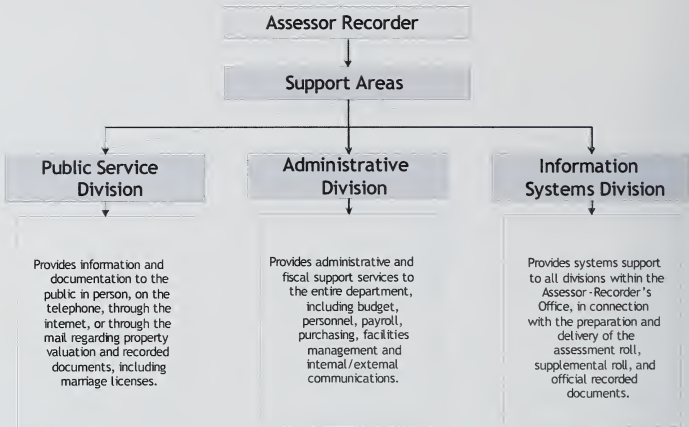
ASSESSOR-RECORDER STAFF

Mo'min Abdun-Noor ~ Terris Abhaya ~ Maria Ahumada ~ Roland Alcantara ~ Caroline Arguelles ~ Ophelia Armendarez ~ Sally Aung ~ Darius Bahador ~ James Bias ~ Arlene Boongaling ~ Natividad Caramat ~ Carlos Castillo ~ Johnny Catanjal ~ Charles Chan ~ Iris Chan ~ Jimmy Chan ~ Larry Chan ~ Kit Chau ~ Anita Chen ~ Alice Cheung ~ Stephen Chin ~ Sandra Chow ~ Stella Chow ~ Diane Cirrincione ~ Ellen Collaco ~ Teresa Contro ~ Lenore Crawford ~ Charles Crowder ~ Joseph Curtin ~ Federico De Guzman ~ Rufino De Leon ~ Ma Patria Desales ~ Tam Doan ~ Craig Dziedzic ~ Wah Eng ~ Natalya Epelbaum ~ Plo Factor ~ Myrna Flores ~ Julie Ford ~ Iluminada Gaerlan ~ Donna Gilliam ~ Georgina Gogna ~ George Gomez ~ Jocelyn Gordon ~ Leticia Granados ~ Carmelita Harris ~ Carlota Hilario ~ Victor Hua ~ Michael Huang ~ Harvey Huey ~ John Hui ~ Carolyn Hunter ~ Hakam Ibrahim ~ Buena Ignacio ~ Abdul Janjua ~ Michael Jine ~ Alice Kim ~ Kimberly Kitano ~ Marjorie Knettle ~ Diosdado Kudemus ~ May Lau ~ Joselito Laudencia ~ Guadalupe Laurente ~ Joe Lee ~ Liza Lee ~ Ricky Lee ~ Rodney Leggett ~ Julia Leiva ~ Maurilio Leon ~ Thida Leung ~ Mara Lim ~ Carrie Liou ~ Maria Los Banos ~ Suzzette Love ~ Angela Lucas ~ Meng Luu ~ Fernando Mendoza ~ Shanna Ngo ~ Zoon Nguyen ~ James Pan ~ Melissa Panday-Shrawder ~ Oscar Pasamonte ~ Feliciano Payumo ~ Chona Pazcoguín ~ Kathleen Pierpont ~ Sandy Pubill ~ Catherine Quiambao ~ Maria Quinones ~ Edward Rafael ~ Daniel Reyes ~ Felix Rodriguez Jr. ~ Brix Salbino ~ Christopher Sam ~ Dinora Sanchez ~ Gladys Sanchez ~ Ruth Santana ~ Kan Shen ~ Julie Shu ~ Edward Smith ~ Robert Spencer ~ Ronald Sto-Domingo ~ Eileen Sullivan ~ Lena Surjadi ~ Pauline Tam ~ Susana Tan ~ Gilbert Tang ~ Terry Tanjutco-Smith ~ Diana Thach ~ Alex Tharayil ~ Matthew Thomas ~ Phil Ting ~ Fanny Truong ~ Felemina Uban ~ Manuel Uy ~ Concepcion Vindell ~ Donald Wiggam ~ Vincent Williams ~ Gregory Wong ~ Joan Wong ~ Joanne Wong ~ Julie Wu ~ Teresita Xander



RESPONSIBILITIES



OFFICE DIVISIONS



FREQUENTLY ASKED QUESTIONS (FAQS)

When is Real Estate reappraised?

Under State law (Proposition 13), real property is reappraised only when a change-in-ownership occurs, upon completion of new construction or upon a change in use. Except for these three circumstances, property assessments cannot be increased by more than 2% annually, based on the California Consumer Price Index. The property tax rate is 1% plus any bonds, fees, or special charges.

When a sale or transfer occurs, the Assessor's Office receives a copy of the deed and determines if a reappraisal is required under State law. If a reappraisal is required, an appraisal is made to determine current market value of the property. The owner is then notified of the new assessment and the owner has the right to appeal the assessed value.

The transfer of property between spouses or registered domestic partners does not require a reappraisal for property tax purposes. This includes transfers resulting from divorce or death of a spouse or domestic partner. In addition, a refinancing will not cause a reappraisal. There are other exclusions for senior citizens, the disabled, and those involving parent/child transfers which are discussed later.

What new construction is reappraised?

When the homeowner/taxpayer applies for a building construction permit with the Department of Building Inspection, the Assessor's Office receives the permit if the construction is new (such as a room addition), a reappraisal is required. If the construction is for replacement, repair, or maintenance, a reappraisal is not required. In appraising new construction, the market value of the addition is determined and added to the value of the existing property. The existing property, however, is not reappraised. As with a change-in-ownership, the owner is notified of the new assessment and can appeal the assessed value.

What is a Supplemental Assessment?

State law requires the Assessor to reappraise property, immediately upon change-in-ownership, completion of new construction or change in use. The Assessor's Office must issue a supplemental assessment that reflects the difference between the prior assessed value and the new assessment. This value is then prorated based on the number of months remaining in the fiscal year ending June 30. This supplemental is in addition to the regular tax bill. To appeal a supplemental assessment, an application must be filed with the Clerk of the Board within 60 days from the mailing of notice of the supplemental assessment tax bill.

How do I appeal my assessed value?

Under State law, if the market value of your property (recent comparable sales) as of January 1 falls below the assessed or taxable value as shown on your tax bill, the Assessor's Office is required to lower the assessment. This type of property tax relief generally applies to recently purchased property. Assessment appeals may be filed from July 2 to September 15. Please make sure to file your application with the Assessment Appeals Board before the deadline.

Informal Review of Assessment

If you have reason to believe that the market value of your property as of January 1 is less than the amount shown on your annual notice and you have factual evidence to support a lowered assessment, you can request an informal review by a staff appraiser by contacting us before September 1 by phone (415) 554-5596 or email assessor@sfgov.org. Requesting an informal review does not preclude you from filing a formal appeal with the Assessment Appeals Board.

Assessment Appeals Board

If you disagree with the assessed value or our informal review, you may file a formal "Application for Changed Assessment" with the Assessment Appeals Board, an independently appointed review board. Application information can be obtained from the Clerk of the Assessment Appeals Board, City Hall – Room 405, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, phone (415) 554-6778 or web at www.sfgov.org/aab. Assessment appeals must be filed with the Clerk between July 2 and September 15.

Can I visit your office and do my own search?

Yes. We always encourage the public to conduct your own searches by accessing our computer systems and general index on microfiche and microfilm, we also have staff on duty to assist you or answer any questions.

Does your office have map records?

The office carries three types of maps: block maps, parcel and condominium maps. For block maps, please provide the block number. For parcel and/or condominium maps always provide the book and page. Block maps are printed on 8 1/2" by 11" for a \$3.00 fee per map. Parcel and/or condominium maps are printed on 18" by 24" for \$5.00 the first page and \$3.00 each additional page per map.

How can I apply for reducing my taxes as a homeowner?

If you own a home and occupy it as your principal place of residence on January 1, you may apply for a Homeowner's Exemption of \$7,000 from your assessed value. New property owners will automatically receive an exemption application in the mail. Homeowner's exemptions may also apply to a supplemental assessment if the property was not previously receiving a Homeowner's Exemption. There is no charge for filing for the Homeowner's Exemption.

How can I apply for reducing my taxes as a veteran?

Certain exemptions are available for veterans. A Veterans Homeowner's Exemption is available for the home of a disabled veteran or a disabled veteran's spouse, if the veteran, because of an injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. If qualified, veterans are provided exemptions up to \$150,000 of taxable value. An unmarried surviving spouse may also be eligible if the veteran died as the result of a service-connected injury or disease while on active duty in the military.



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Will my property be reassessed if I give it to my children?

The transfer of real property between parents and children can be excluded from reappraisal for property tax purposes. The principal place of residence and up to a maximum of \$1,000,000 in assessed value of any additional property may be transferred without an assessment increase. An application must be filed with the Assessor's Office to determine eligibility for this exclusion.

Are there exclusions available for Seniors or Disabled Persons?

Disabled property owners or senior citizens over 55 years of age can buy a replacement residence of equal or lesser value than their existing home and transfer their current tax value to the new home. The purpose of this is to provide tax relief for disabled persons and seniors by preventing a property tax increase if they sell their existing home and buy another one.

What can I do if the market value of my property declines?

If you disagree with the value of your property, you should contact our Real Property Division. If a reduction in value is justified, we can adjust the value or if not, aid you in applying to the Assessment Appeals Board for relief. If you file an assessment appeal on an existing value, such appeal must be filed with the County Assessment Appeals Board (City Hall, Room 405).

What if my home is damaged from a fire or an earthquake?

If a major calamity such as a fire, earthquake or flooding damages or destroys your property; you may be eligible for property tax relief. In such cases, the Assessor's Office will reappraise the property to reflect its damaged condition. In addition, when you rebuild it in a like or similar manner, the property will retain its previous assessment for tax purposes. To qualify for property tax relief, you must file a calamity claim form with the Assessor's Office within 60 days from the date the property was damaged or destroyed and the loss must exceed \$5,000.

What is Business Personal Property?

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

I received a Business Property Statement (Form 571-L, 571-R), what's this all about?

The Assessor's records indicate that you were doing business at this location on the lien date, January 1. The lien date is the day that the taxes became a lien on the property and/or its owners, even though the valuation and tax bills have not yet been computed and mailed. The tax lien date is January 1 of each year (Revenue and Taxation Code, Section 2192). All machinery, equipment, fixtures, construction in progress and leasehold improvement held or used in connection with a trade or business are taxable as business property. The property statement is a means for you to declare all your taxable business property located within the City and County on the lien date, January 1, and is used to assist the Assessor in determining the value of taxable property for assessment purposes.

How is the assessed value determined?

Assessment begins with the cost of the asset, including sales tax, freight and installation. The Assessor applies a depreciation factor to the asset cost and this becomes the assessed value. The depreciation schedule is based on the expected economic life of the asset, and is different from the depreciation schedule used by tax accountants.

When is Business Personal Property appraised?

Unlike real property, business personal property is appraised annually. The owners of all businesses must file a property statement each year with the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation.

Why are you taxing my business assets, under what authority?

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation. Section 201 of the Revenue and Taxation Code of California states that "All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code."

I have a business in San Francisco but did not receive a Business Property Statement, what shall I do?

You must contact the Assessor's Office to enroll your business and have a 571-L Statement/Form sent to you. You may call our Business Personal Property Division. The 571-L form will have your permanent account number, owner's name, mailing address, and business location. You must complete the form, then sign and return the statement to the Assessor's Office.

Who must file a Business Property Statement?

Per Revenue and Taxation Code, Section 441, you must file a statement if the Assessor's Office has sent you a property statement OR you have taxable personal property with a total cost of \$100,000 or more located within the City and County as of January 1 of each year even if no statement is sent to you. Failure to complete and return the property statement will result in the Assessor estimating the value of your business property and adding a 10% penalty to the assessment (R&T Code, Sections 441, 463 and 501).

What is the last date to file the Business Property Statement without a penalty?

The due date for filing the Business Property Statement is April 1st. A 30-day extension until May 1st may be granted for reasonable cause. The request for extension must be made in writing, preferably on company letterhead, and addressed to Phil Ting, Assessor-Recorder, Business Personal Property Division, 875 Stevenson St., Suite 100, San Francisco, CA 94103. Please indicate the account number, if any, the location of the business and your title. Any property statement filed or postmarked after May 7th will have a 10% penalty added to the assessment.



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How much will my taxes be?

Using a tax rate of 1.14% will give a conservative estimate of what the actual tax liability will be. Proposition 13 established a tax rate of 1% of the value of assessable property. San Francisco tax rate is determined by the Board of Supervisors, based on property assessed value and bond measures passed by San Francisco voters. For example, if the business depreciated assessed value is \$25,000 the property taxes on the business assets will be approximately \$285.

What if I don't agree with the value on my tax bill, can I dispute it?

The value can be corrected if a clerical or administrative error was made. In that case, first talk to an auditor how to go about correcting it. However, if the disagreement is a matter of valuation, then you must file an "Application for Changed Assessment" with the Assessment Appeals Board no later than September 15th. Their telephone number is (415) 554-6778. Pay it to avoid penalties (if it can not be cleared by August 31st). A refund will be sent to you if you win the case.

Is there any property that is exempt or that I do not have to report on my Business Property Statement?

The following are some common exempt items that should not be reported: Business Inventory (Revenue and Taxation Code 129), Application Software (Property Tax Rule 152), Licensed Motor Vehicles (R&T Code 10751), First \$50,000 of employee-owned Hand Tools (R&T Code 241).



GLOSSARY

Ad Valorem Property Tax	Taxes imposed on the basis of the property's value.
Assessed Value	The taxable value of a property against which the tax rate is applied
Assessee	The person to whom the property is being assessed.
Assessment Appeal	The assessee may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year
Assessment Appeals Board	A three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal")
Assessment Roll	The official list of all property within the County assessed by the Assessor.
Assessment Roll Year	The year following the annual lien date and the regular assessment of property, beginning on July 1.
Audit Escape	The discovery of escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question.
Base Year (Value)	The 1975-76 regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction or changes in ownership create the base year value used in establishing the full cash value of such real property.
Business Personal Property	Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property)
Change in Ownership	When a transfer of ownership in Real Property occurs, the Assessor determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base value of the property transferred, and a supplemental assessment is enrolled
CPI	Consumer Price Index as determined annually by the California Bureau of Labor Statistics.
Exclusions from Reappraisal	Some changes in ownership may be excluded from reappraisal if a timely claim is filed with the Assessor's Office that meets the qualifications. Examples include the transfer of real property between parents and children or senior citizens over age 55 who replace their principal residence.
Exemption	Allowance of a deduction from the taxable assessed value of the property as prescribed by law.
Homeowner's Exemption	People who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are reimbursed to the County by the State of California.
Exemptions: Other	Charitable, hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled Veterans (for 100%, service-connected disabled Veterans) are eligible for exemption.
Factored Base Year Value	A property's base value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The factored base value is the upper limit of taxable value each year.
Fiscal Year	The period beginning July 1 and ending June 30.
Fixture	An improvement to real property whose purpose directly applies to or augments the process or function of a trade, industry or profession.
Full Cash Value (FCV)	The amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1.
Improvements	Buildings or structures generally attached to the land. Improvements may also include certain business fixtures.
Lien	The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.
Lien Date	The time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1 (effective January 1, 1997) preceding the fiscal year for which the taxes are collected. The lien date for prior years was March 1.



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New Base Year (Value)	The full cash value of property on the date it changes ownership or when new construction is completed.
New Construction	The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.
Parcel	Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes.
Personal Property	Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.)
Possessory Interest (PI)	The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. An example of a PI includes the exclusive right to use public property at an airport such as a car rental company's service counter. The vendors are subject to property taxes. Regardless of the type of document evidencing the right to possession, a taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property.
Proposition 13	Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.
Proposition 8	Passed by California voters in November 1978, Proposition 8 requires for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.
Real Property	Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.
Roll	A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.
Roll Unit	A parcel of property or a business personal property account that is assessed for annual valuation.
Roll Year	See "Assessment Roll Year."
SBE	See "State Board of Equalization."
Secured Roll	Property on which the property taxes are a lien against the real estate.
Special Assessments	Direct charges or flat fees against property which are included in the total tax bill but are not based upon the Assessor's valuation of the property. Examples are a sewer charge or a school parcel tax.
State Board of Equalization	The State Board consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are imposed by the State Constitution and the Legislature. The State Board regulates county assessment practices and administers a variety of State and local business tax programs.
Supplemental Assessment	When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment roll. It is based on the net difference between the previous assessed
Supplemental Roll	The roll, prepared or amended, contains properties in which a change in ownership or completed new construction occurred.
Tax Rates	The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.
Tax Roll	The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.
Transfer	Change in the ownership of, or change in the manner which, property is held. Depending Unsecured Roll Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land, on the specific situation, a transfer may trigger a reassessment of the property.

IMPORTANT DATES FOR PROPERTY OWNERS

January 1	The date taxes for the next fiscal year become a lien on property.
February 15	Deadline to file all exemption claims.
April 1	Due date for filing statements for business personal property and marine vessels.
April 10	Last day to pay second installment of secured property taxes without penalty.
May 7	Last day to file a business personal property statement without incurring a 10% penalty.
July 1	Local assessment roll is surrendered to the Controller. The local assessment roll is the official list of all taxable property within the County.
July 2	First day to file assessment appeal application with the Assessment Appeals Board.
August 31	Regular roll unsecured taxes due.
September 15	Last day to file an assessment appeal application for reduced assessment with the Assessment Appeals Board, unless extended to November 30.
December 10	Last day to pay first installment of secured property taxes without penalty.





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OFFICE OF THE ASSESSOR-RECORDER CITY & COUNTY OF SAN FRANCISCO

1 Dr. Carlton B. Goodlett Place,
City Hall, Room 190
San Francisco, CA 94102-4698

Phone: (415) 554-5596
Fax: (415) 554-4179
Email: assessor@sfgov.org
Website: www.sfgov.org/assessor

The Assessor-Recorder's Office is open Monday thru Friday 8:00 A. M. to 5:00 P.M., excluding legal holidays. Document recording is available 8:00 A.M. to 4:00 P.M. We have a public service desk that is staffed during business hours where you can inquire about property, tax rates and recorded documents.

If you have a question about your tax bill, please contact the Treasurer/Tax Collector at 554-7500 or www.sfgov.org/tax.

You can also call "3-1-1" for information and assistance with any non-emergency services.



ANNUAL REPORT 2008

CITY & COUNTY OF SAN FRANCISCO
OFFICE OF THE ASSESSOR-RECORDER

PHIL TING, ASSESSOR/RECORDER

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OFFICE OF THE ASSESSOR-RECORDER

ANNUAL REPORT 2008

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EXECUTIVE SUMMARY

This report's goal is to provide you with insight into the Assessor-Recorder's Office and our major accomplishments during Fiscal Year 2007-2008. The first part of the report is divided into four sections: Introduction, Revenue, Equity & Fairness, and Innovation. The second half of the report includes background and technical information on the Office of the Assessor-Recorder.

The Introduction section will provide the reader with highlights from the year, background on the real estate market, and assessment roll growth information. The Revenue section details historical trends and current figures for property and transfer tax dollars that our office's work generates. The Equity & Fairness and Innovation sections highlight our office's efforts to provide assistance to taxpayers beyond our everyday duties, and to streamline operations.

Among the initiatives discussed in these sections are our ongoing efforts to work with homeowners who are facing foreclosure, close corporate tax loopholes, ensure that materials sent in the mail are translated for non-English speakers, and work with our partners in City government to increase the number of rooftop solar energy installations in San Francisco. Finally, the Frequently Asked Questions and the other sections at the end of the report provide legal and technical background information on property tax law and the role of the Assessor-Recorder.





MESSAGE FROM THE ASSESSOR-RECORDER

Thank you for taking an interest in the Office of the San Francisco Assessor-Recorder; I am honored to serve you. Fiscal Year 2007-2008 was a challenging year as the City and County of San Francisco faced a \$338 million budget shortfall; one of the largest in recent history. As the Assessor, my staff and I endeavor to ensure that every property tax dollar owed to the City is collected; a role that becomes particularly crucial as the City faces large budget shortfalls and the real estate market begins to soften.

The 2007-2008 fiscal year was my third year in office and I am very proud of what we accomplished on behalf of the people of this great city. Our successes have a direct impact on City services and are a major component of the City's revenue. Despite property values dipping in much of the Bay Area, they remained strong in San Francisco and the 2008 Assessment Roll grew from \$130 billion to \$141 billion, an increase of 8.7%. After applying the 2008-2009 adopted local and county tax rate of 1.163% on the basis of levy, the total estimated tax dollars from the 2008 assessment roll is approximately \$1.6 billion. Property tax is the single largest revenue stream for the City and County and as such, plays a large part in supporting vital services such as education, health care, transportation, affordable housing and public safety.

In addition to carrying out our official role in the fair and equitable valuation of property in San Francisco, there are other objectives that I have set out to accomplish during my tenure as Assessor-Recorder. These include working to help prevent foreclosures, to close corporate loopholes in the transfer tax law, to create an incentive program to offset the costs of solar energy systems, and to promote a "real estate watchdog" program. This past year was a very exciting time in City Hall in which our office played a vital role for the over 1,000 same-sex couples that got married. We recorded over 1,000 marriage licenses following the Supreme Court's ruling which legalized same-sex marriage in California.

Our accomplishments are largely attributed to the dedication and skill of our diverse and talented staff. It is a testament to each and every one of them that we have once again achieved so much on budget. My gratitude goes out to the over 120 members that make up our team.

In addition to carrying out this department's important work for the City and County, it has consistently been my priority to provide superior and courteous service. We are constantly striving to find better and more efficient and effective ways to serve the public. If after reading this report you find yourself with any questions or suggestions, I encourage you to contact our office.

Sincerely,

A handwritten signature in dark ink that reads "Phil Ting".

Phil Ting

REAL ESTATE MARKET SNAPSHOT

For the first time in years, many counties across California saw overall declines in property value, San Francisco, however, was largely immune from the downturn in the market. The areas of the country that grew the fastest during the real estate boom of the last ten years – such as California, Nevada, and Florida – are the same areas where values are decreasing the most. The hardest hit areas in California also happen to be the fastest growing: the Bay Area, the Inland Empire and Los Angeles. This has been particularly true in the residential market.

According to a report by Dataquick, the median price paid for a Bay Area home was \$587,500 in December 2007, down 4.9 % from \$618,000 in December 2006. San Francisco saw a decline in median price of only 1.9% during this same period while surrounding counties saw much more significant decreases: Contra Costa (-11.3 %), Solano (-15.8 %) and Sonoma (-21.9%).

Although we see the headlines saying that residential real estate values are plummeting, the steep declines are not Bay Area-wide; there are some zip codes in a few counties where median home prices actually increased during the 2007-2008 fiscal year, including parts of Marin, San Francisco, and Santa Clara. Again, as of the (January 1, 2008) lien date on which our assessment roll value is based, property values remained strong in San Francisco.

Mirroring its resilient real estate market, San Francisco's economy also remained strong. A total of 34,000 jobs were added in 2008 and at 4.7%, the unemployment rate remained below the state rate of 5.6%. The commercial real estate sector was equally strong with occupancy rates and rental rates increasing in the Central Business District (CBD) and the South of Market Area. Forecasters predicted that rents would continue to rise during 2008, as they had for the past several years. At the end of 2007, rents averaged about \$42 per square foot, absorption stood at 24% and the vacancy rate stood at 8.8%. Vacancy rates decreased throughout 2007 in both the CBD and non-CBD markets.

Although growth in the commercial real estate sector was expected to slow in 2008, the slowdown is not expected to be as dramatic in San Francisco as in other cities for a number of factors. According to Cushman & Wakefield, these factors include minimal new supply of office space, the growth of the technology sector, proximity to Silicon Valley, and a diverse tenant base.

LOOKING AHEAD

In both the San Francisco commercial and residential real estate markets, new construction continues to grow in the City. San Francisco remains the economic engine of the Bay Area region which continues to attract and retain businesses and residents. Also, the Bay Area has more shoreline acres available for development than any other region in the nation.

San Francisco will see a number of large-scale new developments beginning to take shape during the upcoming fiscal year (2008-2009). In the pipeline already are 116 major residential properties of 55 units or more which are estimated to be fully built between 2009-2012. These developments will bring some 48,000 new housing units on the market. There are also 34 major commercial properties totaling over 13 million square feet of new space with estimated completion between 2009-2010. These commercial properties include office space as well as facilities for biotech research and development (R&D). These R&D facilities are primarily concentrated in the recently redeveloped Mission Bay neighborhood.

San Francisco remains the economic engine of the Bay Area region which continues to attract and retain businesses and residents.



AREAS OF ASSESSMENT ROLL GROWTH

The Assessment Roll grew by over \$11 billion in fiscal year 2007-2008.

The Assessment Roll grew by over \$11 billion in fiscal year 2007-2008. This represents an increase of 8.74% from the previous year, which was larger than the average rate of increase of 6.9% seen over the previous 6 years.

The development of new properties and the growth in value of existing properties drive increases in our assessment roll growth. A larger assessment roll means higher property tax revenues for San Francisco. As demonstrated by the map on page 8, the areas with the largest growth in value were those where the City is investing in rebuilding and redeveloping neighborhoods.

The Areas of the City with Largest Increase in Real Property Assessed Value from 2007 to 2008 were:

HUNTER'S POINT

- 2008: \$665,192,767
- 2007: \$561,858,649
- % Change: 18.39%

POTRERO HILL

- 2008: \$1,594,363,596
- 2007: \$1,371,239,837
- % Change: 16.27%

SOUTH OF MARKET

- 2008: \$19,019,214,634
- 2007: \$16,881,589,901
- % Change: 12.66%

The southeastern neighborhood of Hunter's Point saw growth resulting in part from the opening of the Third Street Light Rail and the increase in value of surrounding commercial and residential properties. Simultaneously, the San Francisco Redevelopment Agency (SFRA) moved forward with their plans for the Bayview neighborhood and the Shipyard in Hunter's Point which include the development of thousands of new housing units, new open space for recreation and additional square feet of commercial and retail space.

The growth around Potrero Hill can be attributed to the anticipation of the Eastern Neighborhoods Plan, which was approved by the Planning Commission and the Board of Supervisors in 2008. The rezoning effort encompasses 2,200 acres in the areas of Showplace Square/Potrero Hill, East SOMA, the Central Waterfront (between Mission Bay and Islais Creek) and the Mission District. This new zoning means the addition of approximately 7,500 new housing units and new areas where only light industry is allowed and new housing and office development is banned. Much of the residential development is already underway in lower Potrero Hill.

We also saw growth at San Francisco's new Mission Bay development which covers 303 acres of land. Most of the development in this area is complete already and includes: 6,000 housing units, with 1,700 (28%) affordable to moderate, low, and very low-income households; 6 million sq. ft. of office/life science/technology commercial space; a new UCSF research campus containing 2.65 million sq. ft. of building space on 43 acres of land donated by the master developer and the City; and retail space, open public space, a hotel, a school, a library and new police and fire stations.



One of the main catalysts of growth in the South of Market Area is the redevelopment of the Transbay Terminal, which will be known as the Transbay Transit Center, and the surrounding area. The City is currently drafting the Transit Center District Plan for this area around a new Transit Center which would increase the density and height allowances in the area. This represents an expansion of the downtown Financial District southward from Market Street toward Folsom Street, including Rincon Hill. Together, the Transbay Redevelopment and Rincon Hill Plans would allow for over 7,000 new housing units in the area east of 2nd Street and north of the Bay Bridge, along with new open space, retail along Folsom Street, and street improvements. Other development throughout the South of Market has continued, particularly in the eastern portions, as areas around the baseball stadium and South Beach have matured. The first of the two large residential towers at Rincon Hill, the Infinity at 300 Spear Street and the Millenium Tower at 301 Mission Street all completed construction during 2008.

Although both Eastern Neighborhoods and the Transbay and Rincon Hill plans are still largely in the planning stages, we see some growth in property values there. This is due to increasing property values as new development came in and increased the desirability of the area.

OVERVIEW

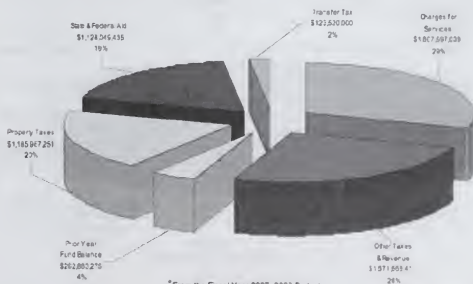
The mission of the Office of the Assessor-Recorder is to value property in a fair and equitable manner according to California Revenue and Taxation Laws, record documents with integrity, and provide the public with superior and courteous service. Our office is the main revenue generating department in the City and County of San Francisco. The more revenue we have, the larger our budget and the more funds we have available to provide the vital services that all San Franciscans rely upon.

Property tax is the single largest revenue source for the City and County; others include the business payroll tax, sales tax, hotel room tax, utility users tax, and parking tax. The City is legally required to balance its budget each year so any decrease in revenues can lead to a cut in spending. In order to avoid implementing spending cuts to city services, we as a department do all that we can to be sure that every tax dollar owed is collected.

Independently, the property taxes incurred through assessments by our office account for 20% of the City and County's revenue and 33% of the General Fund. The budget for the City and County for fiscal year 2007-2008 was \$6 billion and the amount allocated for the General Fund was \$2.9 billion.

Independently, the property taxes incurred through assessments by our office account for 20% of the City and County's revenue and 33% of the General Fund.

WHERE DOES THE CITY'S REVENUE COME FROM?



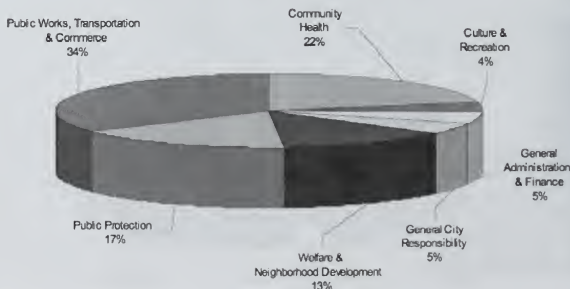
*From the Fiscal Year 2007-2008 Budget

THE CITY AND COUNTY'S BUDGET

City and County government plays a vital role in developing and maintaining San Francisco's infrastructure and services. Ours is a racially and economically diverse city and it is one of our responsibilities in local government to ensure that San Francisco is a place that continues to attract and retain this diverse population, all of whom rely on services that local government provides.

In San Francisco, the majority of government spending is allocated into four broad categories: public safety; public works and transportation; public health; and welfare and community development. San Francisco prides itself as a City that prioritizes taking care of its most vulnerable citizens and our spending in the areas of public health and services for the poor and homeless illustrate this quality.

HOW IS THE CITY'S REVENUE SPENT?



*From the 2007-2008 Budget

ASSESSMENT ROLL

How Much Revenue does the Assessor-Recorder Generate?

The 2008 Assessment Roll grew from \$130 billion to \$141 billion, representing an 8.74 % increase from last year's roll which totaled \$130 billion (these numbers represent the secured and unsecured roll less exemptions.) After applying the 2008-2009 adopted local and county tax rate of 1.163%, the total estimated tax dollars from the 2008 assessment roll is approximately \$1.6 billion; an increase of \$400 million from the 2007 roll.

In San Francisco, we are fortunate in that our roll value continues to grow. This growth illustrates that despite a national and regional slump in the real estate market, San Francisco maintains a strong property tax base. We have historically seen increases in our total roll value from year to year primarily due to a strong real estate market and the 2% inflation annual increase allowed under Proposition 13. Despite this automatic 2% increase, there were some counties whose assessment

ASSESSMENT ROLL SUMMARY

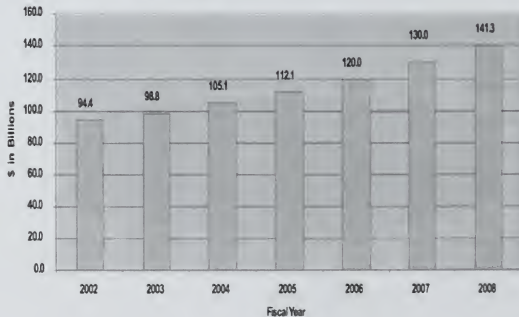
DESCRIPTION	2008	2007	% Chg
Secured Roll	\$135,947,330,250	\$125,319,139,041	8.50%
Unsecured Roll	9,622,316,941	8,063,783,795	19.30%
SBE Roll	2,033,644,006	2,130,732,556	-4.60%
Less: Exemptions	(6,328,662,877)	(5,509,176,849)	14.90%
Net Assessed Value	\$141,274,628,320	\$130,004,478,543	8.70%

roll actually experienced negative value. These counties include Solano, San Benito and Merced, among others. The fact that San Francisco's assessment roll grew was particularly crucial as we faced a huge budget deficit totaling \$338 million.

The Assessment Roll has increased by nearly \$47 billion over the past seven years, bringing in some additional \$517 million in property tax dollars. During fiscal year 2007-2008 the value of assessed property increased by more than \$11 billion, with \$1.46 billion in total property taxes generated. This substantial increase is a testament to the strength of the San Francisco market and its ability to resist the downturn that has greatly affected much of the Bay Area and beyond this past year. It is also a testament to our hard work as a department.

The Assessment Roll has increased by nearly \$47 billion over the past seven years, bringing in some additional \$517 million in property tax dollars.

7 YEAR ASSESSMENT ROLL HISTORY



TRANSFER TAX

Our office's work also produced \$86 million in real property transfer tax revenue, all of which accrues to the General Fund. The transfer tax is a tax imposed when real estate is sold or transferred from one entity to another; because it is tied to the exchange of properties and their value, the transfer tax is a volatile revenue stream. In 2007-2008, we brought in \$86.2 million from transfer taxes, which is a significant decline from the \$144 million collected the previous fiscal year.

Fiscal years 2004-05, 2005-06 and 2006-07 all witnessed unprecedented sales activity in the commercial real estate sector. After seeing steady transfer tax growth during this real estate boom, the abrupt decline this past fiscal year can be attributed to a cooling slowing in the real estate market.



RESIDENTIAL VS. COMMERCIAL TAX BURDEN

Of the approximately 197,000 properties on the assessment roll, 85% are residential and the other 15% are non-residential properties including those that are categorized as commercial, industrial and mixed use. Although a much larger portion of the property count is comprised of residential properties, the non-residential properties account for 33% of all assessed value.

Over the last 30 years, the property tax burden has shifted from commercial to residential property owners. As reflected in the graph on page 15, commercial properties contribute 43% of property taxes while residential property owners contribute 57%. The commercial property figures include income-producing properties, such as commercial office space and apartment buildings. The residential property figures represent owner-occupied properties.

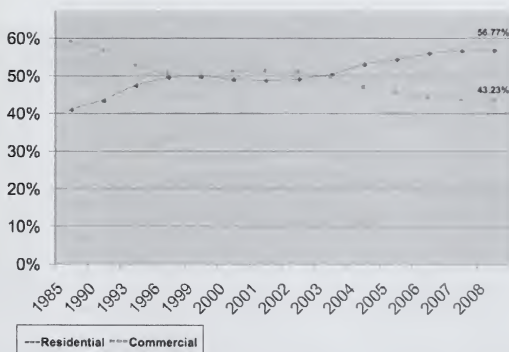
Commercial properties contribute 43% of property taxes while residential property owners contribute 57%.

ASSESSMENT ROLL BY PROPERTY TYPE

PROPERTY TYPE	ROLL VALUE			PARCELS	
	Amount (in \$)	% Growth	% of Total	Count	% of Total
Single-Family Residential	\$63,800,415,669	9.87%	47.48%	134,802	68.35%
Multi-Family Residential	25,958,616,130	5.85%	19.38%	35,216	17.86%
Commercial - Office	5,058,875,028	5.21%	14.85%	1,560	0.79%
Commercial - Hotel	19,897,585,270	3.58%	3.78%	744	0.38%
Commercial - Non-Office	14,819,543,484	13.24%	11.06%	16,477	8.36%
Industrial	2,580,243,446	9.46%	1.93%	2,395	1.21%
Others/Miscellaneous	2,042,470,102	7.91%	1.52%	6,012	3.05%
Total	\$133,957,751,129	8.24%	100.00%	197,208	100.00%

Since the passage of Proposition 13 in 1978, the contribution of the assessed value of commercial and industrial properties relative to the total number of properties has declined. This graph demonstrates the change since 2000 wherein residential property overtook commercial property owners as the primary source of property tax revenue. As the value of homes in San Francisco has steadily risen since 2000, homeowners continue to assume a larger share of the tax burden.

RESIDENTIAL VS. COMMERCIAL TAX BURDEN



LARGEST ASSESSEES

The graph below depicts who the largest assessees are in San Francisco. These entities all own one or more large commercial properties in the City which together comprise over \$4 billion in assessed value.

TOP TEN PROPERTY ASSESSEES
2008 ASSESSMENT ROLL

Assessee	Type of Business	Assessed Value (\$000s)
555 California Owners LLC	Office, Commercial	\$885,380
EOP – One Market LLC	Office, Commercial	442,169
Mamott Hotel	Hotel, Commercial	413,653
Four Embarcadero Center Venture	Office, Commercial	372,383
Post – Montgomery Associates (One Montgomery Street)	Retail, Commercial	363,063
TST Mission Street LLC (555 Mission Street)	Office, Commercial	331,047
One Embarcadero Center Venture	Office, Commercial	320,993
Broadway Partners (multiple properties)	Office, Commercial	306,000
Three Embarcadero Center Venture	Office, Commercial	301,964
Embarcadero Center Associates	Office, Commercial	300,771
Total Taxable Assessed Valuation - All Above Assesseees		\$4,037,423

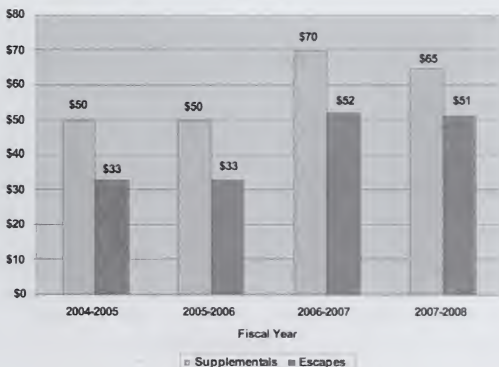
BACKLOG REDUCTION

Over the last 4 tax years, the Assessor-Recorder's Office has improved our processing of both supplemental and escape assessments and therefore reduced the backlog.

Over the last 4 tax years, the Assessor-Recorder's Office has improved our processing of both supplemental and escape assessments and therefore reduced the backlog. The easiest way to quantify our progress on eliminating the backlog is to look at our processing of escape assessments. Escape assessments result from a delayed reassessment of property. This may be the result of properties that have undergone an assessable change in ownership or new construction that was not reported to the Assessor-Recorder, or properties that have not been reappraised timely before the closing of the roll. Thus, these properties have escaped assessment in the year the event occurred.

Between fiscal years 2004-2005 and 2007-2008, our office brought in \$135 million in property tax dollars above what was expected for the City's budget. This growth is attributable to the significant progress made by the Assessor-Recorder in processing the backlog of changes in ownership and new construction. The Assessor-Recorder staff has put in extra effort over the past three years and as a result of their hard work, we have managed to reduce what was once a four-year backlog in half, and are on our way to permanently clearing it and preventing any further backlog accumulation. The following graphs demonstrate both the revenue generated through escape and supplemental assessments and the assessed value of each over the past four years.

SUPPLEMENTAL AND ESCAPE REVENUE



BUSINESS PERSONAL PROPERTY (BPP)

Our BPP division has over 48,000 active accounts on its assessment which the staff audits on an annual basis. BPP conducts routine audits of many of these businesses and their work generates nearly 5% of the total revenue that the office's work produces for the City. The hard work of our BPP staff resulted in approximately \$82 million in tax revenue during fiscal year 2007-2008.

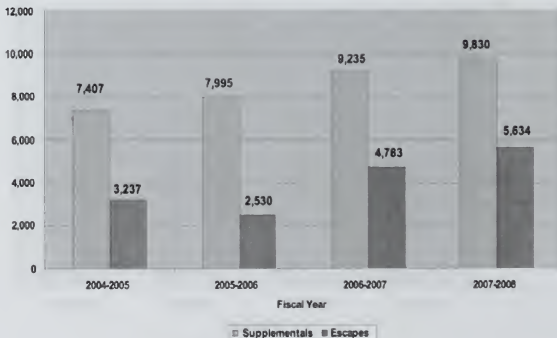
The hard work of our BPP staff resulted in approximately \$82 million in tax revenue during fiscal year 2007-2008.

In this time of deficits at all levels of government - federal, state and local - we have to not only do our jobs with fewer resources and become more efficient, but we also have to do our jobs better in order to ensure that we are more effective at assessing all assessable property. San Francisco is proud to follow best practices from other counties and look at innovative ways of bringing new revenue to our government coffers. During the 2007-2008 fiscal year, BPP worked diligently to build their number of accounts in order to generate more revenue for the City. Below are three innovative steps the division undertook:

1) Our BPP auditors contacted owners and/or building managers of buildings where access was limited. Cooperative owners and/or building managers shared the mailing list of tenants with the auditors. This step allowed BPP to capture new businesses.

Of the 160 building owners and/or managers contacted, our office received 118 responses, which is a 74% success rate.

SUPPLEMENTAL AND ESCAPE ROLL HISTORY



2) We coordinated with the County Treasurer & Tax Collector's Office and received their list of registered new businesses.

8,000 new businesses were added to the database and 571-L's were mailed to all of them in late February 2008.

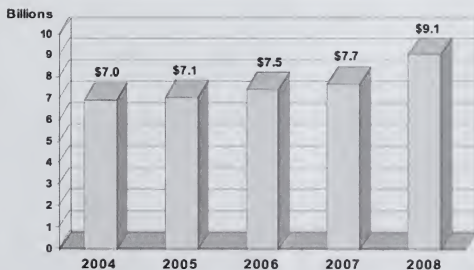
3) We coordinated with the County Treasurer & Tax Collector's Office and received their list of "renewal" businesses which have tangible personal property in San Francisco.

Due to overlap in timing of the mailing and receiving of these "renewal" registrations, our office is in the process of analyzing them so we can use the data for the FY 2008-2009 processing season.

UNSECURED ROLL

The unsecured assessment roll is also a major contributor to roll growth and it increased by 17% during fiscal year 2007-2008. Unsecured land and improvements includes property on which taxes are not secured by the real estate, and possessory interest. The BPP roll includes marine/vessels, leases, and business personal property. This increase in roll value was due to growth in small and large commercial businesses and their acquisition of more personal property. It is also due to the hard work of our BPP auditors and their efforts to capture new revenue, as described above.

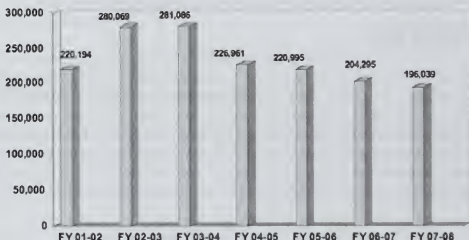
UNSECURED ROLL HISTORY



RECORDER

The gradual slowdown of the real estate market, coupled with an increase in the interest rates, has caused a decrease in the recordings of real estate transactions (i.e., deeds) and financial documents (deeds of trust and reconveyance). The number of recorded transactions has declined an average of 5% over the past four years. The chart below reflects the high of 2002-2003 when our office recorded 280,000 documents compared to this year's low of 196,000 documents. This decrease in volume is expected to continue in 2008-2009.

COUNT OF OFFICIAL RECORDED DOCUMENTS



OVERVIEW

We made it a priority in Fiscal Year 2007-2008 to do our part to ensure that people are not paying more in property taxes than they should be and to help those facing foreclosure stay in their homes.

The issues of equity and fairness are always at the forefront of the work we do, whether it is in our day to day duties, or our work on broader issues that affect our community as a whole. Due to the fact that we handle all documents related to real estate we have been able to see firsthand what and where the effects of the real estate downturn have been for San Franciscans. We made it a priority in Fiscal Year 2007-2008 to do our part to ensure that people are not paying more in property taxes than they should be and to help those facing foreclosure stay in their homes. Below are some other initiatives that we undertook to promote equity and fairness for taxpayers in San Francisco.



KEEPING HOMEOWNERS IN THEIR HOMES

While San Francisco property values have proven to be resilient thus far, the City has not been immune to the foreclosure crisis. The majority of foreclosures are happening to single-family homeowners in the City's low-income neighborhoods. In the 2nd Quarter of 2008 (April, May and June), approximately 25% of all Notices of Default recorded occurred in the 94112 zip code, which is in the southeastern part of the City. Notices of Default are recorded with our office when the property owner defaults on his/her mortgage loan. Trustee Deeds are recorded when the bank actually forecloses on the home. In fiscal year 2007-2008, our office received 1,761 Notices of Default and 493 Trustee Deeds; these figures represent increases of 37% and 67 %, respectively, from fiscal year 2006-2007.

Assessor-Recorder Ting has spearheaded efforts on several fronts to help keep SF homeowners in their homes, including:

- Joining with Mayor Newsom and members of the Board of Supervisors to ask major financial institutions to sign an agreement outlining specific measures aimed at tackling the increasing number of foreclosures and mortgage defaults in San Francisco.
- Sending letters to homeowners shortly after a Notice of Default is recorded with the City indicating non-payment of their mortgage loan. The letter informs homeowners of several resources available to help them remain in their home and avoid foreclosure. These letters were also translated into Spanish and Chinese, commonly spoken languages in San Francisco, in an effort to reach out to homeowners whose primary language is not English.
- Working with the Board of Supervisors to establish the San Francisco Fair Lending Working Group which is tasked with developing recommendations to help homeowners facing foreclosure.

In 2005, Assessor-Recorder Ting helped launch an initiative called "Don't Borrow Trouble" with the Mayor's Office of Housing and community-based non-profit agencies. Don't Borrow Trouble is an outreach program to help homeowners facing foreclosure. The program has set up a hotline for borrowers in trouble to talk with housing counselors and get the help they need.

CELEBRATING SAME SEX MARRIAGES

Between June 17 and June 30, 2008, 1023 same-sex couples were married, creating a joyous atmosphere in City Hall.

The Recorder's office is responsible for maintaining public records and collecting City revenues from the recording of legal documents, including marriage licenses. Due to the California Supreme Courts landmark ruling, as of June 17, 2008, this now includes same sex marriages. This marked an exciting and busy time for the office, not only because the historic ruling was a win for civil rights and equality, but also because we witnessed many newly married couples that were previously not eligible to do so. Between June 17 and June 30, 2008, 1023 same-sex couples were married, creating a joyous atmosphere in City Hall.



REVIEWING PROPOSITION 8/ MARKET VALUE DECLINE REQUESTS

Under state law, if the current market value of your property (recent comparable sales) falls below the assessed or taxable value as shown on your tax bill, the Assessor's Office is required to lower the assessment. Our office received 178 informal requests for reductions in assessed value - also known as Proposition 8 (Prop 8) requests - during the 2007-2008 fiscal year. Of the 178 mentioned above, 64 reductions were granted, 68 were denied and 46 are still under review.

Although there were more Proposition 8 requests filed with our office than in previous years, the numbers pale in comparison to what surrounding counties are seeing. In some counties where foreclosure rates have been high and property values have plummeted, Assessors are granting Proposition 8 reductions for up to one-third of their roll.

Below are some figures from other counties for fiscal year 2007-2008:

- Contra Costa issued 85,000 Prop 8 reductions in an across-the-board reduction
- Alameda County received 70,000 Prop 8 requests and granted over 44,000 reductions
- Solano County received 40,000 Prop 8 requests and granted 30,000 reductions

WORKING TO DEFEND VALUATION IN THE APPEALS PROCESS

If a taxpayer disagrees with the assessed value of his or her property, he or she may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year with the Assessment Appeals Board (AAB). During fiscal year 2007-2008, the AAB resolved 1,365 appeals. Out of the 6% of appeals where the AAB provided an adjustment to the assessed value, only 4% were lowered below the Assessor-Recorder's recommendation.

The total dollar amount of roll value that was defended at the AAB was \$7.5 billion, equaling \$106 million in actual tax dollars.

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ASSESSMENT APPEALS ACTIVITY FOR FISCAL YEAR 2007-2008

Assessment Appeals Board: of 1,365 closed appeals

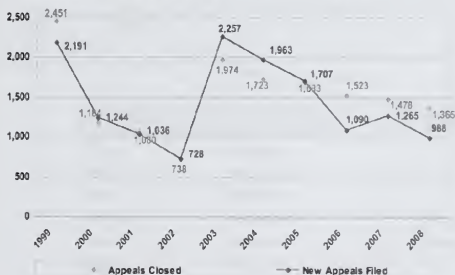
- 54 lowered by the Board 4%
- 25 lowered per Assessor recommendation 2%
- 1,020 withdrawn pre-hearing 74%

- Number of open cases (year to date): 623
- Total Value Appealed: \$14.5 billion
- Total Taxpayer Opinion of Value: \$9.0 billion

Total Tax Dollars at stake \$62.6 million

***Current year plus prior years' assessments (supplementals and escapes) multiplied by the tax rate of 1.14%.

ASSESSMENT APPEALS HISTORIC ACTIVITY



PROMOTING TAX FAIRNESS AT THE STATE LEVEL

During the 2007-2008 Fiscal Year, Assessor-Recorder Ting co-sponsored legislation to promote the equal treatment of unregistered domestic partners under state property tax law. This legislation, SB 153, would allow co-owners of real property to be excluded from a change in ownership – and subsequent reassessment – when one of the co-owners dies. The intent of this legislation is to extend the same benefit that married couples and registered domestic partners have to other individuals who are in relationships and own real property together. Those that would benefit include siblings, unregistered domestic partners, and senior citizens who share expense and care for one another. These groups of people may face the possibility of losing their homes due to reassessment - which can often mean a significant increase in property taxes - when one co-owner dies.

This intent of this legislation was to keep people in their homes. Although it was passed by the Legislature, it was vetoed by Governor Schwarzenegger in September 2008.

The intent of this legislation is to extend the same benefit that married couples and registered domestic partners have to other individuals who are in relationships and own real property together.

INFORMING TAXPAYERS OF TAX EXEMPTIONS

As required by state law, the Assessor-Recorder's Office grants property tax exemptions on properties owned by non-profit organizations, religious organizations, hospitals, and schools as long as the organization meets the Board of Equalization's requirements and the use of the property is consistent with the mission of the organization. Residential properties where the property is the owner's primary residence also qualify for the Homeowner's Exemption.

2008 ASSESSMENT ROLL QUALIFYING EXEMPTIONS

EXEMPTION	VALUE	% TOTAL
Private Schools	8,993,530	0.14%
Homeowners	645,120,000	10.19%
Hospitals	446,488,108	7.06%
Charitable - Non-profit	4,285,063,151	67.71%
Religious Organizations	241,424,572	3.81%
Veterans	12,353,572	0.20%
Churches	98,146,057	1.55%
Colleges/Universities	578,786,045	9.15%
Other	12,287,842	0.19%
Total	6,328,662,877	100.00%

OVERVIEW

The day-to-day functions that the Assessor-Recorder performs are crucial to the operation of our city. Beyond those duties, however, there are ways that our Department strives to be innovative and look for ways to streamline our operations and maximize efficiency. Over the course of Fiscal Year 2007-2008, Assessor-Recorder Ting reached out to other City officials and departments to implement policy ranging from a groundbreaking solar energy incentive program to closing a corporate tax loophole.

CLOSING CORPORATE LOOPHOLES

Assessor-Recorder Ting worked with the Board of Supervisors to craft local legislation that will increase tax revenue for the county by closing a corporate loophole in the current tax law. Property-owning corporations are currently able to avoid paying transfer taxes when there is a change of control or ownership, while business partnerships and other entities that receive tax treatment similar to a partnership (Limited Partnerships and Limited Liability Corporations) cannot. This legislation closes the loophole that has allowed corporations to avoid this transfer tax, and in so doing will level the playing field among various types of business entities while raising much-needed revenue for the City and County.

CREATING SEPARATE BILLING FOR TENANCY-IN-COMMON OWNERS

As part of our office's efforts to ensure that our practices keep pace with the changes in the housing market (TICs are an increasingly popular way for San Franciscans to enter the housing market), beginning in fiscal year 2009-2010 we will begin providing individual assessments for Tenancy-In-Common (TIC) owners who request them. Currently, TIC co-owners receive one property tax bill for the entire property. This would not change – all TIC co-owners will still receive one tax bill and are still liable for the full amount of property taxes owed. However, we will begin offering to provide separate assessments intended to accomplish several things:

- Provide general knowledge regarding assessed value of individual units for TIC owners. The service is especially beneficial to buildings with multiple partial transfers as it will better protect the base year value of each TIC unit.
- Make additional information available to TIC owners to help them in their income tax preparation.
- Enable the Assessor-Recorder's office to process documents more efficiently and accurately, resulting in increased equity and fairness among TIC owners.

We have been working with TIC advocate groups on this process and are beginning outreach efforts. We sent applications to all TIC owners in the City that our office is aware of with the Notification of Assessed Value Letters that went out in July 2008. We will be accepting applications for this new service between July 2008 and March 1, 2009 for fiscal year 2009-2010.

PROMOTING SOLAR ENERGY

The fiscal year ended with tremendous success in the work Assessor-Recorder Ting began in February 2007 to increase the amount of solar rooftops in San Francisco. July 1, 2008 kicked off the first day of the City's new municipal incentive program for solar. The ten-year program, called "GoSolarSF", is the product of the San Francisco Solar Task Force which Ting co-founded with Vote Solar founder David Hochschild.

The goal of the Solar Task Force has been to increase the use of solar energy in San Francisco by making it easier and more affordable. When the Task Force began its work in early 2007, the City's solar roofs numbered about 560 – a low number considering there are about 150,000 buildings in San Francisco. As of the end of Fiscal Year 2007-2008, the number had grown to about 740. By December 2008, there were 940 solar installations in the City. In addition to launching the incentive program, the Solar Task Force worked with the Department of Building Inspection to streamline the solar electrical permitting process and with the Department of the Environment to launch a new solar mapping web portal that serves as a one-stop shop for solar in the City; www.sf.solarmap.org.

The Task Force worked with a coalition which included Mayor Gavin Newsom and a wide range of solar advocates for nearly a year to get GoSolarSF off the ground. Consisting of incentives ranging from \$3,000-\$6,000 for residents, up to \$10,000 for businesses, and up to \$30,000 for non-profits that install solar, GoSolarSF is one of the nation's largest municipal solar programs. Applications and information are available at the SFPUC's website at www.sfwater.org/gosolarsf.

LAUNCHING THE CHINASF INITIATIVE

In fiscal year 2007-08, Assessor-Recorder Ting began working with Mayor Newsom and the Department of Economic and Workforce Development to create ChinaSF, a China – San Francisco economic development initiative designed to establish a comprehensive international business recruitment, expansion, and retention strategy to translate business opportunities in China into tangible results for San Francisco's economy.

San Francisco has shared deep economic and cultural ties with China for over 150 years. Today Chinese Americans are an integral part of San Francisco, making up 25% of the City's residents. With Chinese food, newspapers, news, television and radio readily available, it's much easier for immigrants and foreign nationals to re-locate their families to San Francisco. As the Chair of ChinaSF's San Francisco Advisory Board, Assessor-Recorder Ting sees San Francisco as an ideal place for Chinese companies. ChinaSF is dedicated to helping make San Francisco the gateway for these companies looking to relocate and set up their business operations in the Bay Area.

Assessor-Recorder Ting sees San Francisco as an ideal place for Chinese companies.



INTRODUCING GIS MAPPING TECHNOLOGY

As the office responsible for valuing all of the City's property, it is crucial that the Assessor-Recorder has access to updated and accurate data on all commercial and residential properties in San Francisco. We are in the process of training our appraisal staff so they are equipped to use the latest GIS (Geographic Information Systems) mapping technology available. In October 2007, Assessor-Recorder Ting announced that our office is beginning to use GIS technology to view photographic images of every property in the City and County by entering the address. This technology comes through a contract that the City already has in place with Pictometry, Inc. The company's high resolution, aerial images are taken from low-altitude aircraft and are therefore more accurate than satellite images.

The use of this program will assist the Assessor-Recorder's office both by enabling the appraisal staff to see portions of property that are not visible from the street and by enabling them to do so without having to make a site visit. This is particularly important for new construction assessments which increase a property's value and therefore bring more dollars to the City in property tax revenue. According to other assessors' offices that have used the technology, it pays for itself in a matter of months. GIS also provides an excellent opportunity to the appraisers who will benefit from learning a new skill set that will prove to be very useful as local governments all over the country increasingly use GIS for mapping, planning, and now assessing.

PROMOTING THE MILLS ACT

Because of the importance of maintaining our historic building stock in San Francisco, we have been working with the Planning Department, the Landmarks Preservation Advisory Board and the Board of Supervisors to streamline the Mills Act and create incentives for historic preservation. The Mills Act is a state law administered and implemented by local governments that enables the City to grant property tax exemptions to owners who commit to rehabilitating historic property. The City enters into a Mills Act contract with the property owner and in exchange for the reduction in property taxes, the property owner agrees to use the tax savings to finance certain property improvements. The property owner benefits by a reduction in property taxes and the City is ensured that the historic property is improved.

Our office is in the process of negotiating several Mills Act contracts in San Francisco and we expect to see more property owners pursue Mills Act contracts in the future. The Mills Act is of particular importance to a city like San Francisco with our impressive stock of historic properties and these contracts are just one piece of the City's efforts to preserve these properties for future generations.



INCREASING LANGUAGE ACCESS/ CULTURAL COMPETENCY

In a city as diverse as San Francisco, where 46% of the population speaks a language other than English at home, local government needs to be proactive to ensure that we are communicating with our citizens. Our office is fulfilling this need by accommodating property owners who request foreign language services. Our office has championed cultural competency and increasing language access among City departments for several years. Assessor-Recorder Ting chaired Mayor Newsom's Cultural Competency Task Force and continues to work with San Francisco's Office of Language Services to help ensure the City meets today's language needs.

This year was the first year that we began sending notices from our offices in Chinese and Spanish to taxpayers who requested them.

This year was the first year that we began sending notices from our offices in Chinese and Spanish to taxpayers who requested them. We first surveyed taxpayers' language needs in our 2007 annual notification of assessed value letters; a notice that we mail to property owners every year in July informing them of the current value of their property as well as any exemptions applied to their property. In total, we received 1,508 language surveys requesting that future notices from the Assessor-Recorder's office be mailed in Chinese and another 101 requesting notices in Spanish. Other languages, including Japanese, Korean, Vietnamese, Russian, Greek, Italian and Tagalog were requested as well, though in comparatively low numbers. In response to this feedback, our office sent out the fiscal year 2008-2009 notification of assessed value letters in Spanish and Chinese to everyone who requested them.

We continue to work with the City Administrator and the 311 Customer Service Center to spearhead the coordination of language translation services and on centralizing web, verbal, and document translations for every department in the City.

REWARDING WHISTLEBLOWERS

In an effort to ensure businesses pay their fair share of property taxes, our office developed the Real Estate Watchdog Program in 2006 to make sure that all commercial properties are assessed at fair market value to help capture revenue owed to San Francisco. Under this program, individuals can provide the City with information leading to the detection of property taxes that were underpaid because an owner failed to report a change in ownership. The "watchdog" that provides the report is eligible for a reward of up to 10% of the unpaid taxes. This year for the first time since the program was initiated, the City collected an additional \$1.34 million in revenue after a citizen informed the Assessor-Recorder's office of an unreported change in ownership for a commercial property in 2006. The Whistleblower complaints hotline is 415.554.CITY.

This year for the first time since the program was initiated, the City collected an additional \$1.34 million in revenue



BIOGRAPHY OF THE ASSESSOR-RECORDER

As Assessor-Recorder of San Francisco, Phil Ting is a solutions-focused, innovative reformer whose efforts have enabled him to generate over \$135 million in new revenue for San Francisco and make sure everyone pays their fair share in property taxes.

Ting was appointed and later elected in 2005, becoming San Francisco's highest-ranking Chinese-American official. He has focused on reducing the assessment backlog from four to two years and every dollar that his office brings in means more money for the city to fund crucial programs for children, seniors and families.

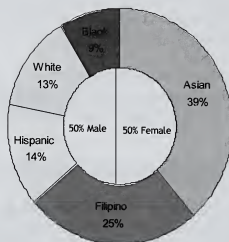
Ting is a champion for innovative and good government policies in San Francisco.

- He launched GoSolarSF, San Francisco's first municipal solar energy incentive program, in July 2008. This ten-year program is the product of the San Francisco Solar Task Force which Ting co-founded and co-chaired. He had the distinct honor of being awarded the 2008 Solar Champion Award from Vote Solar for "outstanding efforts to bring solar energy into the mainstream."
- He spearheads efforts to help homeowners and tenants facing foreclosure, including launching Don't Borrow Trouble, an education and outreach program; convening city officials and advocates to find local solutions to the foreclosure crisis; and creating a first-of-its-kind program that sends a letter providing resource information to at-risk homeowners and tenants once a Notice of Default has been recorded for the home.
- He introduced groundbreaking "Real Estate Watchdog" legislation which is aimed at capturing unreported changes of ownership. In 2008, the Assessor's office's first unreported change of ownership brought in \$1.34 million in additional revenue.
- He chairs the San Francisco Advisory Board for ChinaSF, a new public-private partnership dedicated to creating economic development opportunities by making San Francisco the gateway for Chinese companies looking to establish business operations in the Bay Area.

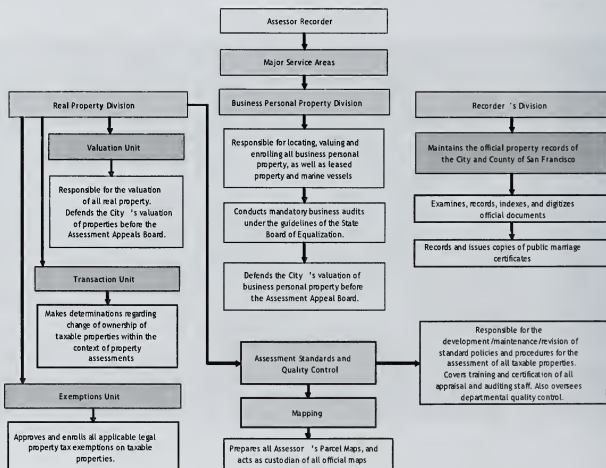
Ting began his career as a real estate financial advisor, gaining practical and hands-on experience in fiscal management and property assessments while working at Arthur Andersen and CB Richard Ellis. Prior to serving as the Assessor-Recorder, Ting also had a long history of civil rights advocacy - he was the Executive Director of the Asian Law Caucus, an organization founded in 1972 to advance and promote the legal and civil rights of the Asian Pacific Islander community. He is president of the Bay Area Assessors Association and serves on numerous boards including Equality California Institute and the California Alumni Association.

Ting is a graduate of UC Berkeley and Harvard University's John F. Kennedy School of Government. He lives in San Francisco's Sunset District with his wife, Susan Sun and their daughter, Isabella.

STAFF COMPOSITION



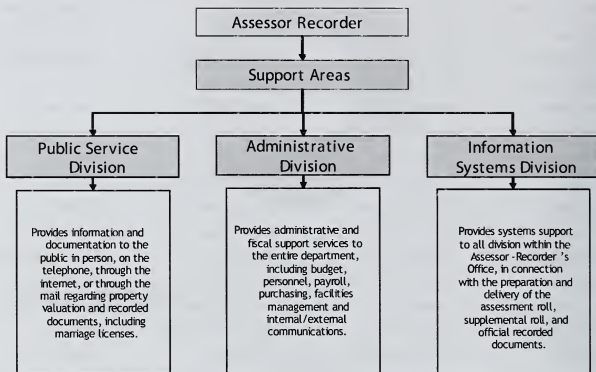
RESPONSIBILITIES



ASSESSOR-RECORDER STAFF

Mo'min Abdun-Noor	Rufino De Leon	Ricky Lee	Christopher Sam
Terris Abhaya	Tam Doan	Julia Leiva	Dinora Sanchez
Maria Ahumada	Craig Dziedzic	Maurilio Leon	Gladys Sanchez
Roland Alcantara	Wah Eng	Thida Leung	Ruth Santana
Michelle Andry	Natalya Epelbaum	Peggy Liang	Catherine Saul
Caroline Arguelles	Pio Factor	Mara Lim	Antonio Segarra
Ophelia Armendarez	Myrna Flores	Carrie Liou	Kan Shen
Sally Aung	Julie Ford	Maria Los Banos	Julie Shu
Darius Bahador	Iluminada Gaerlan	Suzzette Love	Edward Smith
James Bias	Donna Gilliam	Angela Lucas	Robert Spencer
Arlene Boongaling	Georgina Gogna	Meng Luu	Ronald Sto-Domingo
Natividad Caramat	George Gomez	Taras Madison	Lena Surjadi
Carlos Castillo	Veronica Gomez	Fernando Mendoza	Pauline Tam
Johnny Catanjal	Jocelyn Gordon	Katie Muehlenkamp	Susana Tan
Charles Chan	Leticia Granados	Shanna Ngo	Gilbert Tang
Iris Chan	Carmelita Harris	Zoon Nguyen	Terry Tanjutco-Smith
Jimmy Chan	Carlota Hilario	Wilson Novillos	Alex Tharayil
Larry Chan	Victor Hua	James Pan	Matthew Thomas
Kit Chau	Harvey Huey	Melissa Panday-Shrawder	Phil Ting
Anita Chen	John Hui	Oscar Pasamonte	Diana Truong
Alice Cheung	Carolyn Hunter	Feliciano Payumo	Fanny Truong
Stephen Chin	Hakam Ibrahim	Chona Pazcoguín	Felemina Uban
Sandra Chow	Buena Ignacio	Linda Peng	Manuel Uy
Stella Chow	Abdul Janjua	Alicia Petalver	Concepcion Vindell
Elizabeth Cooper	Michael Jine	Kathleen Pierpont	Donald Wiggam
Diane Cirrincione	Alice Kim	Alissa Pines	Vincent Williams
Ellen Collaco	Tim Kingsbury	Sandy Pubill	Cecilia Wong
Teresa Contro	Kimberly Kitano	Maria Quinones	Gregory Wong
Lenore Crawford	Marjorie Knettle	Edward Rafael	Julie Wu
Charles Crowder	Guadalupe Laurente	Daniel Reyes	Teresita Xander
Mary Jane Cruz	Joe Lee	Felix Rodriguez Jr.	
Federico De Guzman	Liza Lee	Brix Salbino	

OFFICE DIVISIONS



FREQUENTLY ASKED QUESTIONS (FAQS)

WHAT IS THE ROLE OF THE ASSESSOR-RECORDER?

Assessor The role of the Assessor-Recorder is to value property in a fair and equitable manner according to California's Revenue and Taxation Laws and strives to collect every tax dollar owed to the city. Our team works hard to locate all taxable property in the County and identify the ownership. We then establish a taxable value for all property subject to property taxation and list this value on the assessment roll. All tangible property is taxable unless constitutionally exempt. Another of our office's functions is to determine if real estate parcels are required to be reassessed upon a change of ownership or the completion of new construction in accordance with Proposition 13.

Recorder The Recorder serves as the custodian of public records and as such records all real property documents for the county, and registers marriage licenses and other public documents. The Recorder maintains an index and issues copies of all recorded documents to members of the public that request them.

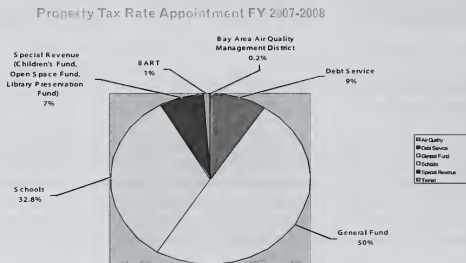
The Recorder staff reviews, analyzes, and interprets large volumes of documents and determines whether they are recordable and in compliance with various state codes and local ordinances. The Recorder is responsible for interpreting and applying the requirements of the County Documentary Transfer Tax Ordinance with regard to any lands, tenements, or other realty sold within the county. The Recorder also has the responsibility to collect and allocate the necessary recording fees pertaining to the Real Estate Prosecution Trust Fund and Monument Preservation Fund.

HOW ARE PROPERTY TAX RATES CALCULATED?

WHAT IS PROPOSITION 13?

Property tax is a tax placed on real and business personal property. It is an ad valorem tax, which means that it is based on a percentage of the property's value. There are three different types of property: real, personal and utility. Real property refers to the ownership of land and any improvements to the land. Personal property is any property except real estate, including boats, airplanes and all business property. Business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software. Utility property is property owned by utilities, such as railroads. Our office has jurisdiction over the assessment of real and business personal property.

Passed by California voters in 1978, Proposition 13 established a maximum property tax rate of one percent (1%) of the assessed value, plus any voter approved bonded indebtedness, service fees, improvements bonds and special assessments. This add-on was 0.141 percent for FY 2007-08 for a total property tax rate of 1.141 percent. The property tax dollar is allocated to a variety of sources as depicted below.



Proposition 13 also set a property's base value at its 1975-76 market value and limited increases to the assessed value of real property by no more than 2 percent per year or the Consumer Price Index (CPI), whichever is lower.

Proposition 13 tightly regulates property tax policy and was enacted in order to keep property taxes stable and predictable relative to variances in the housing market. Since the passage of Proposition 13, average assessed values have remained considerably lower than average sales prices in counties across the state.

WHEN IS REAL ESTATE REAPPRAISED?

Real property is reassessed at its current fair market value under two conditions: 1) when there is a change in ownership and 2) upon completion of new construction or a change in use. This reassessment establishes a new base year value.

When a sale or transfer occurs, the Assessor's Office receives a copy of the deed and determines if a reappraisal is required under State law. If a reappraisal is required, an appraisal is made to determine current market value of the property. The owner is then notified of the new assessment and the owner has the right to appeal the assessed value.

The transfer of property between spouses or registered domestic partners does not require a reappraisal for property tax purposes. This includes transfers resulting from divorce or death of a spouse or domestic partner. In addition, a refinancing will not cause a reappraisal. There are other exclusions for senior citizens, the disabled, and those involving parent/child transfers which are discussed later.

WHAT NEW CONSTRUCTION IS REAPPRAISED?

When the homeowner/taxpayer applies for a building construction permit with the Department of Building Inspection, the Assessor's Office receives the permit. The construction is new (such as a room addition), a reappraisal is required. If the construction is for replacement, repair, or maintenance, a reappraisal is not required. In appraising new construction, the market value of the addition is determined and added to the value of the existing property. The existing property, however, is not reappraised. As with a change-in-ownership, the owner is notified of the new assessment and can appeal the assessed value.

WHAT IS THE ASSESSMENT ROLL?

The Assessment Roll is the official list of all property within the County assessed by the Assessor, and is separated into a secured and unsecured roll. The assessment roll, which contains approximately 195,000 parcels as of the lien date of Fiscal Year 2007-2008, is the basis on which property taxes are levied. The secured roll includes property on which the taxes are a lien against the real estate. The unsecured roll includes property on which the property taxes are not a lien against the real estate where they are situated, including business personal property or improvements located on leased land. This means that if the property owner defaults on the payment of property taxes, the City can place a lien on the home. Foreclosure occurs more frequently with residential property owners, since so many businesses lease their properties.

WHAT IS A SUPPLEMENTAL ASSESSMENT?

State law requires the Assessor to reappraise property, immediately upon change-in-ownership, completion of new construction or change in use. The Assessor's Office must issue a supplemental assessment that reflects the difference between the prior assessed value and the new assessment. This value is then prorated based on the number of months remaining in the fiscal year ending June 30. This supplemental is in addition to the regular tax bill. To appeal a supplemental assessment, an application must be filed with the Clerk of the Board within 60 days from the mailing of notice of the supplemental assessment tax bill.

HOW DO I APPEAL MY ASSESSED VALUE?

Under State law, if the market value of your property (recent comparable sales) as of January 1 falls below the assessed or taxable value as shown on your tax bill, the Assessor's Office is required to lower the assessment. This type of property tax relief generally applies to recently purchased property. Assessment appeals may be filed from July 2 to September 15. Please make sure to file your application with the Assessment Appeals Board before the deadline.

INFORMAL REVIEW OF ASSESSMENT

If you have reason to believe that the market value of your property as of January 1 is less than the amount shown on your annual notice and you have factual evidence to support a lowered assessment, you can request an informal review by a staff appraiser by contacting us before September 2 by phone (415) 554-5596 or email assessor@sfgov.org. Requesting an informal review does not preclude you from filing a formal appeal with the Assessment Appeals Board.

ASSESSMENT APPEALS BOARD

If you disagree with the assessed value or our informal review, you may file a formal "Application for Changed Assessment" with the Assessment Appeals Board, an independently appointed review board. Application information can be obtained from the Clerk of the Assessment Appeals Board, City Hall - Room 405, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, phone (415) 554-6778 or web at www.sfgov.org/aab. Assessment appeals must be filed with the Clerk between July 2 and September 15.

CAN I VISIT YOUR OFFICE AND DO MY OWN SEARCH?

Yes. We always encourage the public to conduct your own searches by accessing our computer systems and general index on microfiche and microfilm, we also have staff on duty to assist you or answer any questions.



DOES YOUR OFFICE HAVE MAP RECORDS?

The office carries three types of maps: block maps, parcel and condominium maps. For block maps, please provide the block number. For parcel and/or condominium maps always provide the book and page. Block maps are printed on 8 1/2" by 11" for a \$3.00 fee per map. Parcel and/or condominium maps are printed on 18" by 24" for \$5.00 the first page and \$3.00 each additional page per map.

HOW CAN I APPLY FOR REDUCING MY TAXES AS A HOMEOWNER?

If you own a home and occupy it as your principal place of residence on January 1, you may apply for a Homeowner's Exemption of \$7,000 from your assessed value. An exemption is an allowance of a deduction from the taxable assessed value of the property as prescribed by law. New property owners will automatically receive an exemption application in the mail. Homeowner's exemptions may also apply to a supplemental assessment if the property was not previously receiving a Homeowner's Exemption. There is no charge for filing for the Homeowner's Exemption.

HOW CAN I APPLY FOR REDUCING MY TAXES AS A VETERAN?

Certain exemptions are available for veterans. A Veterans Homeowner's Exemption is available for the home of a disabled veteran or a disabled veteran's spouse, if the veteran, because of an injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. If qualified, veterans are provided exemptions up to \$150,000 of taxable value. An unmarried surviving spouse may also be eligible if the service died as the result of a service-connected injury or disease while on active duty in the military.

WILL MY PROPERTY BE REASSESSED IF I GIVE IT TO MY CHILDREN?

The transfer of real property between parents and children can be excluded from reappraisal for property tax purposes. The principal place of residence and up to a maximum of \$1,000,000 in assessed value of any additional property may be transferred without an assessment increase. An application must be filed with the Assessor's Office to determine eligibility for this exclusion.

ARE THERE EXCLUSIONS AVAILABLE FOR SENIORS OR DISABLED PERSONS?

Disabled property owners or senior citizens over 55 years of age can buy a replacement residence of equal or lesser value than their existing home and transfer their current tax value to the new home. The purpose of this is to provide tax relief for disabled persons and seniors by preventing a property tax increase if they sell their existing home and buy another one.

WHAT CAN I DO IF THE MARKET VALUE OF MY PROPERTY DECLINES?

If you disagree with the value of your property, you should contact our Real Property Division. If a reduction in value is justified, we can adjust the value or if not, aid you in applying to the Assessment Appeals Board for relief. If you file an assessment appeal on an existing value, such appeal must be filed with the County Assessment Appeals Board (City Hall, Room 405).

WHAT IF MY HOME IS DAMAGED FROM A FIRE OR AN EARTHQUAKE?

If a major calamity such as a fire, earthquake or flooding damages or destroys your property; you may be eligible for property tax relief. In such cases, the Assessor's Office will reappraise the property to reflect its damaged condition. In addition, when you rebuild it in a like or similar manner, the property will retain its previous assessment for tax purposes. To qualify for property tax relief, you must file a calamity claim form with the Assessor's Office within 60 days from the date the property was damaged or destroyed and the loss must exceed \$5,000.

WHAT IS BUSINESS PERSONAL PROPERTY?

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

I RECEIVED A BUSINESS PROPERTY STATEMENT (FORM 571-L-311-R). WHAT'S THIS ALL ABOUT?

The Assessor's records indicate that you were doing business at this location on the lien date, January 1. The lien date is the day that the taxes became a lien on the property and/or its owners, even though the valuation and tax bills have not yet been computed and mailed. The tax lien date is January 1 of each year (Revenue and Taxation Code, Section 2192). All machinery, equipment, fixtures, construction in progress and leasehold improvement held or used in connection with a trade or business are taxable as business property. The property statement is a means for you to declare all your taxable business property located within the City and County on the lien date, January 1, and is used to assist the Assessor in determining the value of taxable property for assessment purposes.

HOW IS THE ASSESSED VALUE DETERMINED?

Assessment begins with the cost of the asset, including sales tax, freight and installation. The Assessor applies a depreciation factor to the asset cost and this becomes the assessed value. The depreciation schedule is based on the expected economic life of the asset, and is different from the depreciation schedule used by tax accountants.

WHEN IS BUSINESS PERSONAL PROPERTY APPRAISED?

Unlike real property, business personal property is appraised annually. The owners of all businesses must file a property statement each year with the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation.

WHY ARE YOU TAXING MY BUSINESS ASSETS UNDER WHAT AUTHORITY?

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation. Section 201 of the Revenue and Taxation Code of California states that "All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code".

I HAVE A BUSINESS IN SAN FRANCISCO BUT DID NOT RECEIVE A BUSINESS PROPERTY STATEMENT. WHAT SHALL I DO?

You must contact the Assessor's Office to enroll your business and have a 571-L Statement/Form sent to you. You may call our Business Personal Property Division. The 571-L form will have your permanent account number, owner's name, mailing address, and business location. You must complete the form, then sign and return the statement to the Assessor's Office.

WHO MUST FILE A BUSINESS PROPERTY STATEMENT?

Per Revenue and Taxation Code, Section 441, you must file a statement if the Assessor's Office has sent you a property statement OR you have taxable personal property with a total cost of \$100,000 or more located within the City and County as of January 1 of each year even if no statement is sent to you. Failure to complete and return the property statement will result in the Assessor estimating the value of your business property and adding a 10% penalty to the assessment (R&T Code, Sections 441, 463 and 501).

WHAT IS THE LAST DATE TO FILE THE BUSINESS PROPERTY STATEMENT WITHOUT A PENALTY?

The due date for filing the Business Property Statement is April 1st. A 30-day extension until May 1st may be granted for reasonable cause. The request for extension must be made in writing, preferably on company letterhead, and addressed to Phil Ting, Assessor-Recorder, Business Personal Property Division, 875 Stevenson St., Suite 100, San Francisco, CA 94103. Please indicate the account number, if any, the location of the business and your title. Any property statement filed or postmarked after May 7th will have a 10% penalty added to the assessment.

HOW MUCH WILL MY TAXES BE?

Using a tax rate of 1.14% will give a conservative estimate of what the actual tax liability will be. Proposition 13 established a tax rate of 1% of the value of assessable property. San Francisco tax rate is determined by the Board of Supervisors, based on property assessed value and bond measures passed by San Francisco voters. For example, if the business depreciated assessed value is \$25,000 the property taxes on the business assets will be approximately \$285.

WHAT IF I DON'T AGREE WITH THE VALUE ON MY TAX BILL. CAN I DISPUTE IT?

The value can be corrected if a clerical or administrative error was made. In that case, first talk to an auditor how to go about correcting it. However, if the disagreement is a matter of valuation, then you must file an "Application for Changed Assessment" with the Assessment Appeals Board no later than September 15th. Their telephone number is (415) 554-6778. Pay it to avoid penalties (if it can not be cleared by August 31st). A refund will be sent to you if you win the case.

IS THERE ANY PROPERTY THAT IS EXEMPT OR THAT I DO NOT HAVE TO REPORT ON MY BUSINESS PROPERTY STATEMENT?

The following are some common exempt items that should not be reported: Business Inventory (Revenue and Taxation Code 129), Application Software (Property Tax Rule 152), Licensed Motor Vehicles (R&T Code 10751), First \$50,000 of employee-owned Hand Tools (R&T Code 241).



GLOSSARY

AD VALOREM PROPERTY TAX: Taxes imposed on the basis of the property's value.

ASSESSED VALUE: The taxable value of a property against which the tax rate is applied

ASSESSEE: The person to whom the property is being assessed.

ASSESSMENT APPEAL: The assessee may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year

ASSESSMENT APPEALS BOARD: A three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal")

ASSESSMENT ROLL: The official list of all property within the County assessed by the Assessor.

ASSESSMENT ROLL YEAR: The year following the annual lien date and the regular assessment of property, beginning on July 1.

AUDIT ESCAPE: The discovery of escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question.

BASE YEAR (VALUE): The 1975-76 regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction or changes in ownership create the base year value used in establishing the full cash value of such real property.

BUSINESS PERSONAL PROPERTY: Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property)

CHANGE IN OWNERSHIP: When a transfer of ownership in Real Property occurs, the Assessor determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base value of the property transferred, and a supplemental assessment is enrolled.



CPI: Consumer Price Index as determined annually by the California Bureau of Labor Statistics.

EXCLUSIONS FROM REAPPRAISAL: Some changes in ownership may be excluded from reappraisal if a timely claim is filed with the Assessor's Office that meets the qualifications. Examples include the transfer of real property between parents and children or senior citizens over 55 who replace their principal residence.

EXEMPTION: Allowance of a deduction from the taxable assessed value of the property as prescribed by law.

HOMEOWNER'S EXEMPTION: People who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are reimbursed to the County by the State of California.

EXEMPTIONS, OTHER: Charitable, hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled Veterans (for 100%, service-connected disabled Veterans) are eligible for exemption.

FACTORED BASE-YEAR VALUE: A property's base value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The factored base value is the upper limit of taxable value each year.

FISCAL YEAR: The period beginning July 1 and ending June 30.

FIXTURE: An improvement to real property whose purpose directly applies to or augments the process or function of a trade, industry or profession.

FULL CASH VALUE (FCV): The amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1.

IMPROVEMENTS: Buildings or structures generally attached to the land. Improvements may also include certain business fixtures.

LIEN: The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.

LIEN DATE: The time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1 (effective January 1, 1997) preceding the fiscal year for which the taxes are collected. The lien date for prior years was March 1.

NEW BASE-YEAR (VALUE): The full cash value of property on the date it changes ownership or when new construction is completed.

NEW CONSTRUCTION: The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.

PARCEL: Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes.

PERSONAL PROPERTY: Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.)

POSSESSORY INTEREST (PI) The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. An example of a PI includes the exclusive right to use public property at an airport such as a car rental company's service counter. The vendors are subject to property taxes. Regardless of the type of document evidencing the right to possession, a taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property.

PROPOSITION 13. Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.

PROPOSITION 8 Passed by California voters in November 1978, Proposition 8 requires for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.

REAL PROPERTY Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.

ROLL A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.

ROLL UNIT A parcel of property or a business personal property account that is assessed for annual valuation.

ROLL YEAR See "Assessment Roll Year."

SBE See "State Board of Equalization."

SECURED ROLL Property on which the property taxes are a lien against the real estate.

SPECIAL ASSESSMENTS Direct charges or flat fees against property which are included in the total tax bill but are not based upon the Assessor's valuation of the property. Examples are a sewer charge or a school parcel tax.



STATE BOARD OF EQUALIZATION The State Board consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are imposed by the State Constitution and the Legislature. The State Board regulates county assessment practices and administers a variety of State and local business tax programs.

SUPPLEMENTAL ASSESSMENT When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment roll. It is based on the net difference between the previous assessed

SUPPLEMENTAL ROLL The roll, prepared or amended, contains properties in which a change in ownership or completed new construction occurred.

TAX RATES The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.

TAX ROLL The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.

TRANSFER Change in the ownership of, or change in the manner which, property is held. Depending

UNSECURED ROLL Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land. on the specific situation, a transfer may trigger a reassessment of the property.

IMPORTANT DATES FOR PROPERTY OWNERS

JANUARY 1

The date taxes for the next fiscal year become a lien on property.

FEBRUARY 15

Deadline to file all exemption claims.

APRIL 1

Due date for filing statements for business personal property and marine vessels.

APRIL 15

Last day to pay second installment of secured property taxes without penalty.

MAY 1

Last day to file a business personal property statement without incurring a 10% penalty.

JULY 1

Local assessment roll is surrendered to the Controller. The local assessment roll is the official list of all taxable property within the County.

JULY 2

First day to file assessment appeal application with the Assessment Appeals Board.

AUGUST 31

Regular roll unsecured taxes due.

SEPTEMBER 15

Last day to file an assessment appeal application for reduced assessment with the Assessment Appeals Board, unless extended to November 30.

DECEMBER 10

Last day to pay first installment of secured property taxes without penalty.



OFFICE OF THE ASSESSOR-RECORDER
CITY & COUNTY OF SAN FRANCISCO

DIRECTOR, ASSESSOR-RECORDER

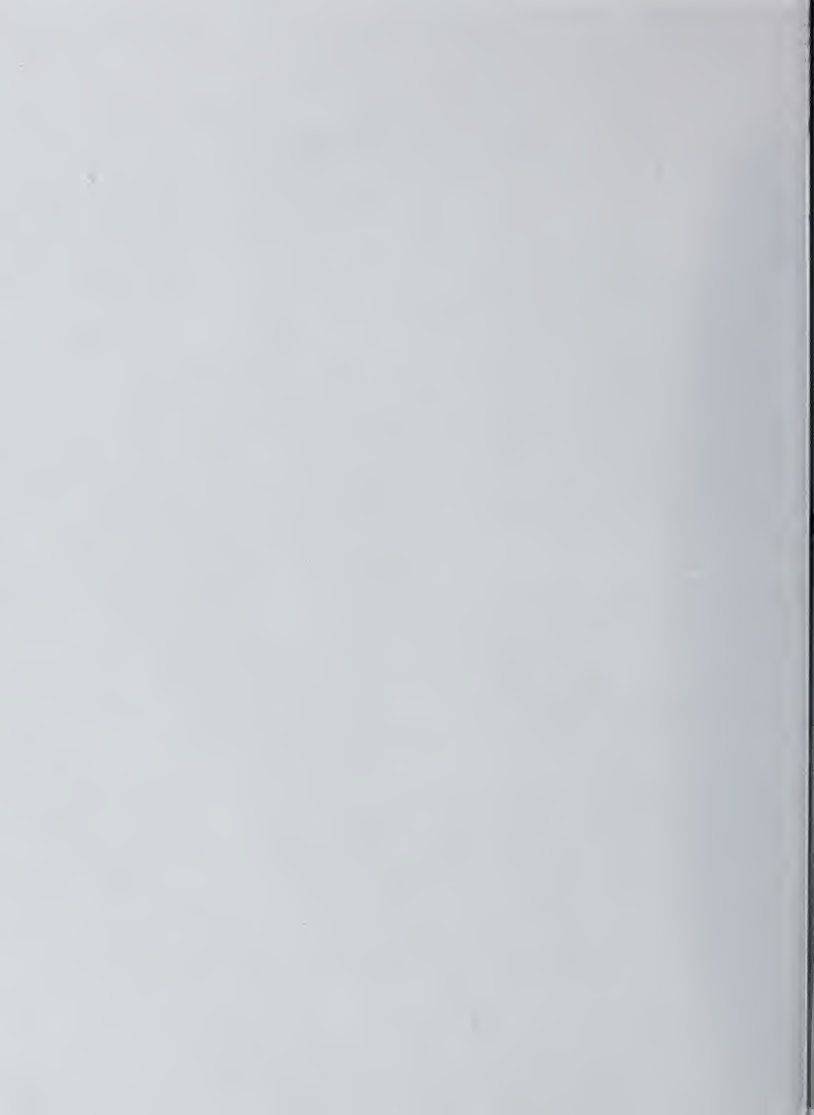
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Phone: (415) 398-2200 | Fax: (415) 398-2201
www.sfdaweb.org | www.sfdassessor.org



The Assessor-Recorder's Office is a San Francisco local government agency that is responsible for assessing property taxes and recording property transactions. The Assessor-Recorder's Office is located at 100 California Street, Suite 1000, San Francisco, CA 94111-4209. The Assessor-Recorder's Office is responsible for assessing property taxes and recording property transactions. The Assessor-Recorder's Office is located at 100 California Street, Suite 1000, San Francisco, CA 94111-4209.

If you have a question about your property taxes, please call (415) 398-2200 or visit our website at www.sfdassessor.org. If you have a question about recording property transactions, please call (415) 398-2201 or visit our website at www.sfdaweb.org.





ANNUAL REPORT 2009

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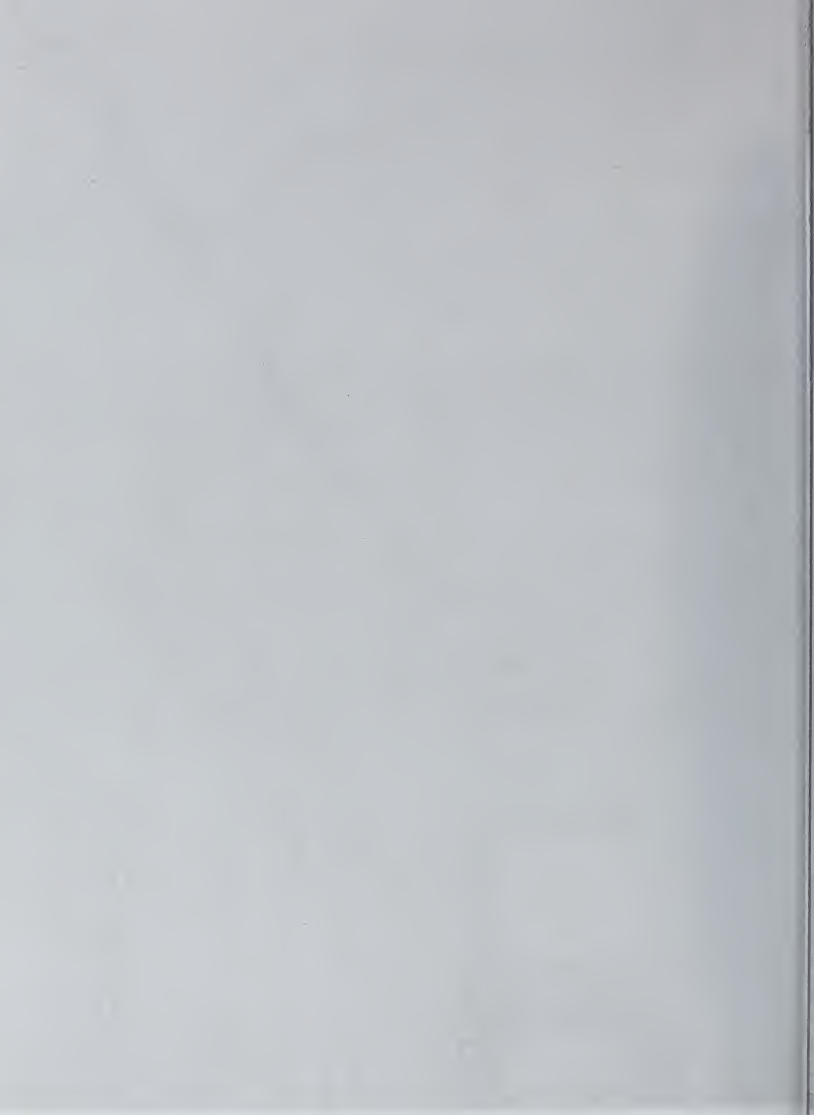







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EXECUTIVE SUMMARY

The goal of this report is to provide an insight into the Office of the Assessor-Recorder and our accomplishments during FY 2008-2009. The first part of the report is divided into four sections: Introduction, Revenue, Equity & Fairness, and Innovation. The second half of the report includes background and technical information on the Office of the Assessor-Recorder. The Introduction section will provide highlights from the year, background on the real estate market, and assessment roll growth information. The Revenue section details historical trends and current figures for property and transfer tax dollars that our office's work generates. The Equity & Fairness and Innovation sections highlight our office's efforts to provide assistance to taxpayers beyond our everyday duties, and to streamline operations. These sections detail our office-wide effort to ensure that properties are valued correctly in the slumping real estate market, along with our ongoing efforts to work with homeowners who are facing foreclosure, close corporate tax loopholes, provide translations of any mailed materials to non-English speakers, and work with our partners in City government to increase the number of rooftop solar energy installations in San Francisco. Finally, the Frequently Asked Questions and the other sections at the end of the report provide legal and technical background information on property tax law and the role of the Assessor-Recorder.

MESSAGE FROM THE ASSESSOR-RECORDER

Fiscal Year ("FY") 2008-2009 was witness to one of the most volatile real estate markets in decades. California's Statewide assessment roll declined by 2.4%, representing the first such decline in recorded history. Despite the statewide trends, San Francisco's property tax base remains strong, as evidenced by our assessment roll increasing 7.1% from \$141.9 billion in 2007-08 to \$152.0 billion in 2008-2009. Although San Francisco's real estate market has remained resilient, our department faces unprecedented challenges, including declining property values and an ever increasing Citywide budget deficit.

Throughout my four years in office, I am continually impressed by the ingenuity and expertise of our diverse staff. I am proud of the office-wide effort to ensure that we uphold our commitment to accurately assess property values while providing fair and equitable treatment of taxpayers. With no staff increase, we proactively reviewed 14,708 properties to determine if property assessment reductions were warranted. In addition, we simplified the informal review application process and increased outreach efforts to inform taxpayers of their rights.

In challenging times, our office becomes even more crucial to deliver tax revenue and serve the public. Whether by improving efficiency and thus generating additional tax dollars to support vital services, or by reaching out and educating taxpayers about their assessments and rights, the services provided by our office has become more essential than ever before. The tax dollars we generate support education, health care, transportation, affordable housing and public safety, as well as help reduce the budget deficit.

Although there are economic indicators that the real estate market and economy are on the road to recovery, we anticipate another challenging year ahead. Through these challenges, we will continue to learn and grow individually and collectively. I have the utmost confidence that our office is equipped, now more than ever, to be responsive to the public and continue to exceed expectations. Thank you for your interest in the Office of the San Francisco Assessor-Recorder, and please do not hesitate to contact our office with questions or suggestions.

Sincerely,



Phil Ting

REAL ESTATE MARKET SNAPSHOT

Similar to what occurred throughout California and the country, the Bay Area witnessed a hampering of the local economy. There were several factors that greatly impacted the Bay Area, but most notable were lending restrictions by financial institutions. As the rate of unemployment increased and as financial institutions restricted credit opportunities, the volume of foreclosures began to enlarge. Similarly, short sales and residential homes sold at auctions began to increase. Homeowners that were capable of selling their homes before being foreclosed on did so at largely discounted sales. Prior to the downturn, the steep climb in housing prices throughout the middle of the decade was greatly accelerated by "loose" loan requirements and non-conforming "jumbo" loans, along with an increasing demand for real estate property. Subsequently in FY 2008-09 the Bay Area saw a significant drop in the median price of property, due to restrictive loan requirements combined with a lack of demand.

June of 2008 was the first time in four years the median price of a Bay Area home fell under half a million dollars to \$485,000. According to DataQuick the median price of a Bay Area home decreased from \$575,500 to \$330,000 from December 2007 to December 2008, a decrease of 43.8%. This change was due to a variety of factors such as a significant decrease in the use of "jumbo" loans which exceed the conventional loan limit of \$417,000. These loans use to account for 60% of Bay Area purchases. This resulted in financing that could no longer sustain the elevated market prices that were all too common in the preceding years.

In November of 2008, the foreclosure levels were near a record high, with adjustable rate mortgages and multiple mortgage line financing at a low. As a result, the use of Federal Housing Administration (FHA) government backed loans drastically increased. These loans allow for as little as a 3% down payment of the purchase price, saw a 20% increase during 2008. Also, the month of

November recorded the highest volume in property sales since the June of 2007.

Additionally, the commercial real estate market has also been impacted. The first quarter of 2009 witnessed the average rent in the financial district decrease by 14.0% from the first quarter of 2008, according to Cushman & Wakefield. The rise of discounted subleases, including free rent and tenant improvements, was a major source of this decline. San Francisco saw the loss of two iconic law firms Heller Ehrman LLP & Thelen LLP, which accounted for approx. 365,000 square feet of office space located in San Francisco's financial district. Law firms and financial services providers put close to 400,000 square feet of office space back in the real estate market. While 2008-09 saw housing developments put on hold, there were significant office space projects that too were brought to a halt. At the end of 2008, only three major developments were moving forward as planned, 1 Kearny Street, 1500 Owens Street and 455 Mission Bay Boulevard South.



LOOKING AHEAD

Although December of 2008 represented the 13th month of the hardened economy, there were indicators that the housing market was strengthening. With the assistance of the federal government, the national lending rates were reduced and the cost of financing was also decreased. Those with the means to take advantage of financing opportunities did so, resulting in the infusion of much needed capital into the economy. The Bay Area market did see a steady rate of improvement in the second half of 2009 with the onset of new regulations and creative financing, as well as new approaches from developers. Developers adjusted their approach to housing projects, recognizing the need for affordable housing instead of developing luxury amenities that were once in high demand. In addition, San Francisco still remains attractive for corporate relocations and expansions: the City has a highly educated workforce, an excellent transit system and land in San Francisco is in scarce supply.

A strength to the City and County of San Francisco continues to be the economic and culturally diversity of the City. A continuous investment in job creation, workforce development, education and the green collar economy will help lift the City out of its current economic challenges and increase its role as a global innovation and investment hub for the future.

AREAS OF ASSESSMENT ROLL GROWTH

As mentioned in the real estate snapshot of this report, San Francisco has a particular advantage in comparison to other California and Bay Area counties. San Francisco's desirability and market demand has resulted in a healthy assessment roll increase. The Assessment Roll grew by \$10 billion in FY 2008-2009, from \$141.9 billion to \$152.0 billion. This represents an increase of 7.1% from the previous year.

The development of new properties and the growth in value of existing properties drive increases in our assessment roll growth. A larger assessment roll means higher property tax revenues for San Francisco. As demonstrated by Map #1, the areas with the largest growth in value continue to be those where the City is investing in rebuilding and redeveloping neighborhoods.

The Areas of the City with Largest Increase in Real Property Assessed Value from 2008 to 2009 were:

LAKESIDE & DIAMOND HEIGHTS

- 2009: \$5,525,973,168
- 2008: \$4,751,426,371
- Percentage Change: 14.0%

Two main factors contributed to the significant roll growth in the Lakeside and Diamond Heights neighborhoods. The first was the sale of the Park Merced Apartments for \$700 million; this large apartment complex is located near San Francisco State University. The Park Merced sale alone resulted in an increase of \$426 million. The Lakeside and Diamond Heights district also boasted 368 new parcels due to condominium development, adding an additional 6.4% increase of assessable property to the roll value over the prior year.

SOUTH OF MARKET

- 2009: \$21,157,581,247
- 2008: \$19,019,214,634
- Percentage Change: 10.1%

The South of Market (SOMA) neighborhood continues to be an area of increased development. Continued expansion of the downtown Financial District southward from Market Street toward Folsom Street, including Rincon Hill, along with the redevelopment of the Transbay Terminal has made the SOMA district a mainstay on the list of top assessment growth areas. This development trend is likely to continue for areas encompassing the ballpark and South Beach neighborhood. In total 691 new parcels were added to SOMA resulting in a 6.7% increase in roll value for the area.

FORT MASON/COW HOLLOW

- 2009: \$4,728,570,767
- 2008: \$4,348,756,607
- Percentage Change: 8.0%

Seemingly immune from the real estate market downturn, the Fort Mason/Cow Hollow area has continued to see property values increase. The lack of a significant number of Proposition 8 ("Prop 8") reductions, coupled with the addition of 586 new parcels contributed to positive roll growth of 8.0% for the area. Some moderately sized condominium projects (in the 30-50 unit range) along with an influx of condominium conversions are the main source of these additional parcels.

ASSESSMENT ROLL GROWTH





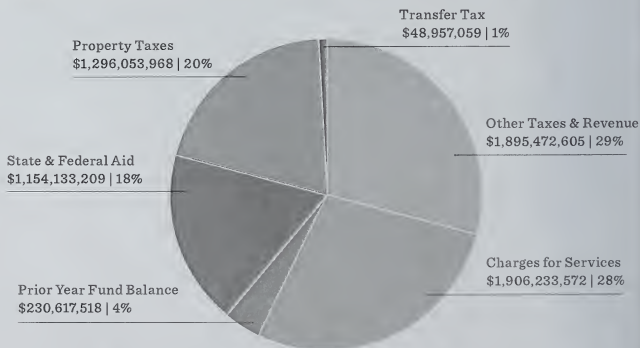
OVERVIEW

The Assessor-Recorder is responsible for locating all taxable property in the County and identifying the ownership, establishing a taxable value for all property subject to property taxation and applying all legal exemptions to properties. Additionally, we are also responsible for recording legal documents which determine ownership of real property as well as maintaining, indexing and issuing copies of all recorded documents such as public marriage records. All functions of the office are conducted under provisions of the State Constitution, State and County Codes.

Our office is the main revenue generating department in the City and County of San Francisco (CCSF). As we improve our business processes and create greater efficiencies, we are able to increase the county's budget and help provide increased vital services for all San Franciscans. San Francisco's budget is quite complex, however, from a funding perspective, property tax is the single largest revenue source for the City and County; others include the business payroll tax, sales tax, hotel room tax, utility users tax, and parking tax. Similar to other cities and counties in California, San Francisco is legally required to balance its budget each year signifying that a marginal decrease in revenues can have serious consequences, including potential cuts to important municipal services. In an effort to preclude budget reductions to city services, we are diligent and efficient in ensuring that every tax dollar owed to the city is identified.

Independently, the property taxes incurred through assessments by the Office account for 20% of the City and County's revenue and 35% of the General Fund. The total budget for the City and County for FY 2008-2009 was \$6.5 billion and the amount allocated for the General Fund was \$3.0 billion.

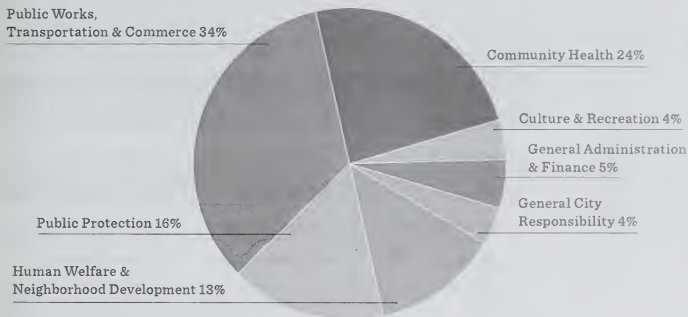
BREAKDOWN OF CCSF REVENUE SOURCES



THE CCSF BUDGET

Similar to other California counties, CCSF serves a dual role. First, we provide a vast array of municipal services to residents, including roads, parks, law enforcement, emergency response services, and libraries. We also serve as a delivery channel for many State of California services, such as foster care, public health care, law enforcement, and elections.

BREAKDOWN OF CCSF EXPENSES



The majority of CCSF spending is allocated into four broad categories: public safety; public works and transportation; public health; and welfare and community development. CCSF spending in the areas of public health and services for the poor and homeless is indicative of the pride the City has in taking care of our most vulnerable citizens.

*How Much Revenue does the Assessor-Recorder Generate?***ASSESSMENT ROLL**

As noted in the Assessment Roll Summary below, the FY 2008-2009 assessment roll grew to \$152.0 billion. After applying the 2009-2010 adopted local and county tax rate of 1.159%, the total estimated tax dollars from the FY 2008-2009 assessment roll is approximately \$1.8 billion, representing an increase of \$160.0 million from the FY 2007-2008 roll.

ASSESSMENT ROLL SUMMARY

DESCRIPTION	2009	2008	%CHG.
SECURED ROLL	\$144,773,014,963	\$135,947,330,250	6.50%
UNSECURED ROLL	\$10,709,982,420	\$9,622,316,941	11.30%
SBE ROLL	\$2,100,927,324	\$2,033,644,006	3.30%
LESS: EXEMPTIONS	(\$5,623,150,808)	(\$5,683,542,877)	-1.10%
NET ASSESSED VALUE	\$151,960,773,899	\$141,919,748,320	7.10%

As indicated by the 5 Year Assessment Roll History chart below, we are fortunate in that our roll value continues to grow. This growth illustrates that despite a national and regional economic challenges in the real estate market, we continue to maintain a strong property tax base. We have historically seen increases in our total roll value from year to year primarily due to a strong real estate market and the 2% inflation annual increase allowed under Proposition 13. Even with 11,749 property owners receiving a temporary reduction in FY 2008-2009, we posted the highest year-on-year increase in roll out of all the California counties. In a year when the statewide

assessment roll declined by 2.4% our assessment roll was one of only two counties with positive growth exceeding 5.0% (Trinity County being the other). Thirty-eight counties posted year-on-year declines, with 14 declining by 5.0% or more.

The assessment roll has increased by more than \$39.0 billion over the past five years. During FY 2008-2009, the value of assessed property increased by over \$10.0 billion. This substantial increase is a testament to the strength of our real estate market, as well the hard work and dedication of our staff.

5 YEAR ASSESSMENT ROLL HISTORY

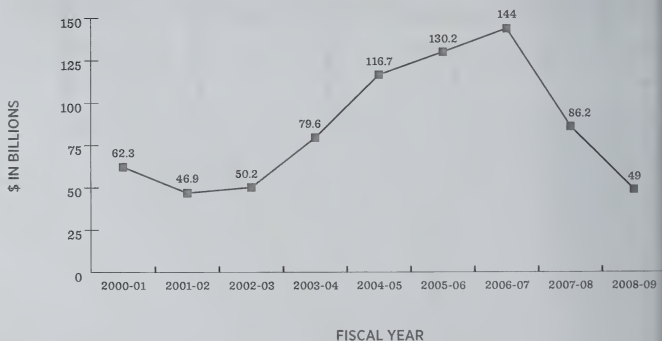


TRANSFER TAX DOWNWARD TREND

Transfer tax is imposed on each deed, instrument, or writings for land, tenements, or other realty sold within the CCSF. Transfer tax is imposed on both recorded and unrecorded transactions between entities. Because transfer tax is tied to the exchange of properties and their associated values, it can be a volatile revenue stream. In FY 2008-2009, we collected \$49.0 million in transfer taxes, a significant decline from the \$86.2 million collected the previous fiscal year.

Fiscal years 2004-2005, 2005-2006 and 2006-2007 all witnessed unprecedented sales activity in the commercial real estate sector. In stark contrast to the steady transfer tax growth during the latter real estate boom, transfer tax revenue during the past two fiscal years has sharply declined due to the broader economic recession and accompanying decline in the real estate market.

TRANSFER TAX REVENUE HISTORY



RESIDENTIAL VS. COMMERCIAL TAX BURDEN

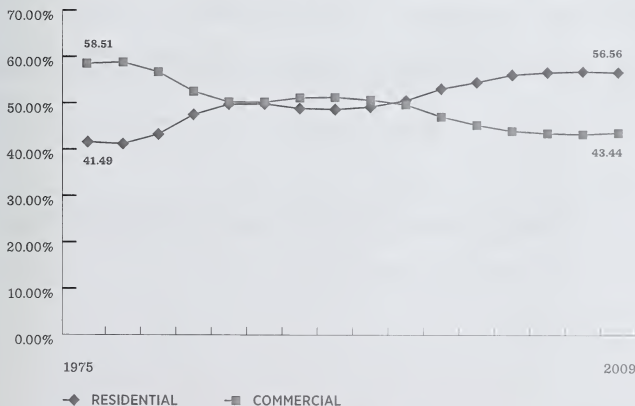
Encompassing a land area of approximately 47 square miles, CCSF maintains a healthy combination of residential and commercial properties. For the FY 2008-2009 assessment roll, residential parcels accounted for approximately 86% of total properties while non-residential properties - including commercial, industrial and mixed use properties - accounted for the remaining 14%.

Since the passage of Proposition 13 in 1978, San Francisco has witnessed the property tax responsibilities from commercial to residential property homeowners, as reflected in the Tax Burden graph below. Currently commercial properties contribute 43% of property taxes while residential property owners contribute 57%. Generally, the commercial property figures include income-producing properties, such as commercial office space and apartment buildings, while the residential property figures represent owner-occupied properties.

PROPOSITION 13

In June 1978, voters in California enacted Proposition 13, which limited the annual real estate tax on parcels of properties to 1% of their respective assessed values. Additionally, Proposition 13 required that a property's assessed value may increase by no greater than 2% per year or the current rate of inflation, whichever is less, from the time of the last assessment. Furthermore, a property is not eligible for a tax reassessment unless it undergoes a change in ownership or new construction on the original property.

RESIDENTIAL VS. COMMERCIAL TAX BURDEN



LARGEST ASSESSEES

The table below depicts the largest Assesseees in San Francisco. These Assesseees all own one or more large commercial properties in the City; these Assesseees' total holdings comprise over \$4 billion in assessed value.

TOP TEN PROPERTY ASSESSEES

ASSEESSEE	TYPE OF BUSINESS	ASSESSED VALUE (\$000s)
555 California Owners LLC	Office, Commercial	\$889,841
EOP - One Market LLC	Office, Commercial	451,011
Mission Street Development	Office, Commercial	454,252
Four Embarcadero Center Venture	Office, Commercial	379,830
Post - Montgomery Associates (One Montgomery Street)	Retail, Commercial	370,324
One Embarcadero Center Venture	Office, Commercial	327,412
St. Francis LLC	Office, Commercial	326,639
Broadway Partners (multiple properties)	Office, Commercial	312,120
Three Embarcadero Center Venture	Office, Commercial	308,003
Embarcadero Center Associates	Office, Commercial	306,786
Total Taxable Assessed Valuation - All Above Assesseees		\$4,126,218

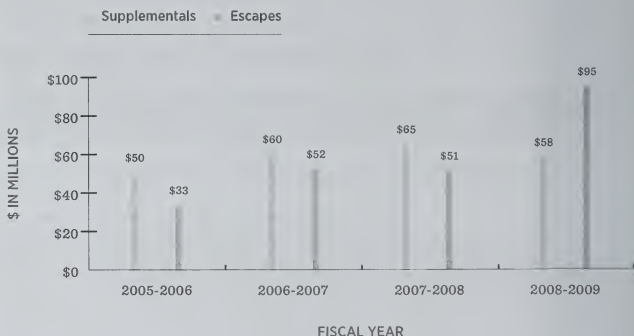
ASSESSMENT ROLL BY PROPERTY TYPE

PROPERTY TYPE	ROLL VALUE			PARCELS	
	Amount (in \$)	% Growth	% of Total	Count	% of Total
Single-Family Residential	\$67,451,028,054	9.87%	47.42	137,129	68.68%
Multi-Family Residential	27,511,673,106	5.85%	19.34%	34,917	17.49%
Commercial - Office	22,130,170,999	5.21%	15.56%	1,540	0.77%
Commercial - Hotel	5,207,727,664	3.58%	3.66%	657	0.33%
Commercial - Non-Office	14,879,830,712	13.24%	10.46%	16,977	8.50%
Industrial	2,724,489,347	9.46%	1.92%	2,413	1.21%
Others/Miscellaneous	2,345,102,066	7.91%	1.65%	6,042	3.03%
Total	\$142,250,021,948	100.00%	100.00%	199,675	100.00%

BACKLOG REDUCTION

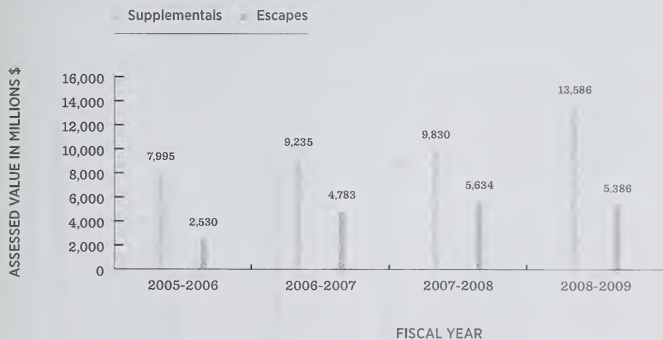
Over the past four fiscal years, we have improved our processing of both supplemental and escape assessments, translating into the successful reduction of the backlog. Escape assessments result from a delayed reassessment of property. This may be the result of properties that have undergone (1) an assessable change in ownership or new construction, or (2) properties that have not been reappraised timely before the closing of the roll. Thus, these properties have escaped assessment in the year the event occurred.

SUPPLEMENTAL AND ESCAPE REVENUE



As illustrated in the graph on page 17, new escape assessment revenue totaled approximately \$230.0 million between fiscal years 2005-2006 and 2008-2009. This growth is attributable to a significant progress in processing the backlog of changes in ownership and new construction. The graph below demonstrates the revenue generated through escape and supplemental assessments and the assessed value of each over the past four years.

SUPPLEMENTAL & ESCAPE ROLL HISTORY

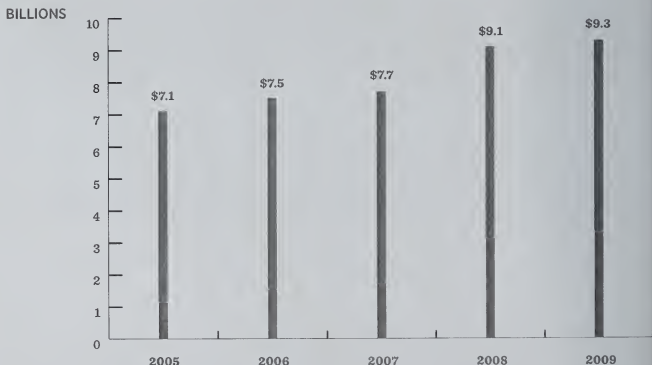


UNSECURED ROLL

As a major contributor to roll growth, the unsecured assessment roll increased by 2.0 % during FY 2008-2009. The unsecured roll encompasses possessory interest, property on which taxes are not secured by real estate, including marine/vessels, leases, and business personal property. The FY 2008-2009 increase in the unsecured roll was due to growth in small and large commercial businesses and their acquisition of more personal property. It is also due to the hard work of our staff and their efforts to capture new revenue.

2009 ROLL HISTORY

The unsecured roll includes business personal property, marine, aircraft, leases, and possessory interest.



BUSINESS PERSONAL PROPERTY DIVISION

Our Business Personal Property (“BPP”) division conducts routine audits on a pool of accounts representing more than 37,000 City businesses paying property tax on unsecured assets. BPP’s work generates nearly 5.0 % of the total revenue generated by the Office for the City. The hard work of our division staff resulted in approximately \$82.0 million in tax revenue during FY 2008-2009.

In this time of deficits at all levels of government - federal, state and local – we are committed to becoming more efficient with less resources. Additionally, we continue to ensure that we are more effective at assessing all assessable property. During FY 2008-2009, BPP worked diligently to generate more revenue for the City by taking the following measures:

1) Collaborated with property owners and/or building managers to determine what businesses are operating within their respective properties. We then mailed a Business Property Statement to all business owners we identified through our enhanced process; business owners are responsible for completing and returning this Statement, which determines the level of property tax owed

by each Statement filer. Of the 600 building owners and/or managers contacted through this process in FY 2008-2009, our office received 420 responses (70.0 % success rate).

2) Coordinated with the County Treasurer & Tax Collector (“Tax Collector”). As a result of this effort, we added 6,400 new businesses to our accounts database and mailed the

relevant forms as the first step in assessing property tax on these new entities.

3) Coordinated with the County Treasurer & Tax Collector’s list of “renewal” businesses owning tangible personal property in San Francisco. This program has been proven successful; our office will continue to use data gathered from this exercise for the FY 2009-2010 processing season.

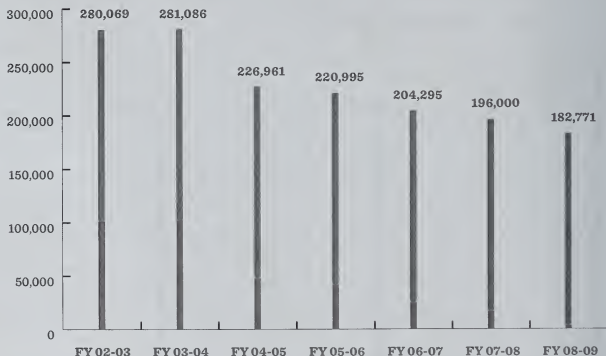
RECORDER DIVISION

The gradual slowdown of the real estate market caused a decrease in the recordings of real estate transactions (i.e., deeds) and financial documents (i.e., deeds of trust and reconveyances). The number of recorded transactions has declined an average of 5% over the past four years. The chart below reflects the high of FY 2003-2004 when our office recorded 281,000 documents compared to this year's low of 182,771 documents. We anticipate a slight increase in volume for FY 2009-2010.

This year, we took an extraordinary leadership role among the County Recorders by hosting the annual conference of the County Recorders'

Association of California (CRAC). The event, which was solely planned, organized and coordinated by the staff, was held in September 2008 at the Marriott Fisherman's Wharf. The theme was "Inspirational Ideas" and the conference generated more revenue than any other previous California Recorder's Association conference in history. The conference also contributed to the sharing of collaborative ideas among staff and managers and on how to improve efficiencies and enhance business processes. The conference also hosted celebrity speaker, author, lecturer, Frank Abagnale Jr., whose life was portrayed in the movie "Catch Me If You Can".

2009 COUNT OF OFFICIAL RECORDED DOCUMENTS



With due diligence and hard work, we have become the leading county in California in transfer tax policy. To ensure that every person pays his/her fair share of transfer tax, we have evolved our operations to closely scrutinize all claimed transfer tax exemptions. Examples of some operational changes include:

- 1) Implementing a pre-audit program that requires all complex transactions involving legal entities to substantiate a claimed transfer tax exemption at the time of recording;
- 2) Cross-training document examiners to understand, interpret, and analyze highly complex legal documents and financial records, including tax returns involving legal entities such as corporations, limited liability companies, trusts, and partnerships;
- 3) Creating a pilot program with the Internal Revenue Service to share data involving transactions that claim a gift exemption for transfer tax. This pilot program is the first in the nation and other counties are following suit;
- 4) Streamlining and sharing audit data with the internal staff to ensure that complex transactions do not escape a reassessment when a change in ownership occurs;
- 5) Implementing Proposition N – the ballot initiative that amended the SF Transfer Tax Ordinance to authorize applying a transfer tax to unrecorded corporate stock transfer.

The issues of equity and fairness are underscored in our daily work duties and also as a function of being a part of the City and County of San Francisco. Since we handle all recorded documents related to real estate, we have been able to monitor and examine the effects of the real estate downturn on homeowners. Hence, we continue to make it a priority to ensure that people are not paying more in property taxes than their appropriate share and we continue to help those facing foreclosure with information and resources. Below are some initiatives that we undertook to promote equity and fairness for taxpayers in San Francisco.

PROPOSITION 8 REDUCTIONS

Under state law, as of January 1st of every year, if the current market value of your property (as established by recent comparable sales) falls below the assessed or taxable value as shown on your tax bill, we are required to temporarily lower the assessment. We have traditionally provided the service, based on requests, where we review properties that owners believe may qualify for a Proposition 8 reduction. This year, however, for the first time since the mid-1990's, we proactively reviewed properties and granted reductions based on extensive analysis of the local Real Estate market and neighborhood trends. A total of 14,708 homes were reviewed. Most of the

reductions granted went to homes located in the City's southern neighborhoods. The neighborhoods with the most reductions were Mission Bay (986), South Beach (808), and South of Market (710).

All of the proactive temporary reductions granted were given to homes sold between January 2004 - June 2008 or January 2005 - June 2008 depending on the neighborhood. Homes that sold before that time period generally have an assessed value that is lower than market value due to Proposition 13 which limits the annual increase on property value to 2 percent annually.

KEEPING HOMEOWNERS & TENANTS IN THEIR HOMES

San Francisco has continued to experience rising foreclosures and mortgage defaults as the housing market remains stagnant and unemployment figures increase, leaving many homeowners unable to pay their mortgage. Much of the foreclosure activity has been occurring in the southern and southeastern sections of the City, where, in certain circumstances, predatory loan practices were prevalent among low-income families.

In FY 2008-2009, the rate of foreclosures increased by 8.8% from the previous year (FY 2007-2008), from 493 to 630 total foreclosures. The rate of Notices of Default recorded against a home, generally regarded as the first indication of a potential foreclosure, similarly increased by 26.6%, from 1,761 to 2,229 Notices.

The San Francisco Fair Lending Working Group ("Working Group"), established through the efforts of Assessor-Recorder Ting, Treasurer Jose Cisneros, and Supervisor Sophie Maxwell, studied and recommended strategies to address the mortgage foreclosure crisis in San Francisco. After meeting for six months, the Working Group presented their findings and recommendations to be endorsed by the San Francisco Board of Supervisors in March 2009. The Working Group's recommendations touch on four policy objectives: preserving homeownership and preventing foreclosure; preventing predatory lending practices; protecting tenants' rights during and after foreclosure; and ensuring that affordable housing development and retention remains a top City priority.

HOMEOWNERS

Assessor-Recorder Ting continues to lead efforts to help at-risk homeowners and prevent more foreclosures. He recently collaborated with San Francisco District Attorney Kamala Harris, Supervisor David Campos, and Supervisor Sophie Maxwell to pass legislation combating loan modification scams. In these scams, unscrupulous mortgage consultants take advantage of an unprecedented number of San Francisco residents struggling to make their mortgage payments. The Regulations for Mortgage Modification Consultants ordinance requires a written contract outlining proposed services and prohibits loan modification consultants from collecting a fee before helping a homeowner obtain a favorable loan modification. The ordinance provides for enforcement with criminal penalties and a private cause of action for aggrieved homeowners.

TENANTS

As foreclosures increase, they impact not only homeowners but tenants living in foreclosed properties. In San Francisco, where more than two-thirds of the city's residents are renters, foreclosures impacting tenants became particularly evident. While foreclosure is not 'just cause' for eviction under San Francisco's local rent ordinance (for rent-controlled units), tenant counseling agencies saw a drastic rise in renters at risk of displacement by foreclosure, often due to a lack of knowledge among renters and banks about San Francisco's laws. According to tenant counseling agencies, common issues faced by tenants in foreclosed properties include utility shut-offs, illegal eviction attempts, lack of notification of ownership changes (and a resulting failure to pay rent to new owners) and, in some cases, illegal entry and harassment by brokers and landlords. In response to this, Assessor-Recorder Ting began working with tenant advocates, Pacific Gas and Electric (PG&E), and bank representatives to develop solutions to the growing problem, including:

- Sending letters to tenants residing in foreclosed properties shortly after a Notice of Default is recorded against the property. The letter informs tenants of their rights and resources available to help them remain in their home.
- Convening several meetings with PG&E and tenant rights groups to improve communications and streamline efforts to prevent utility shut-offs where unnecessary.
- Working with tenant advocates and other CCSF departments to determine better ways to identify tenants affected by foreclosure and to coordinate efforts to educate tenants about their rights.

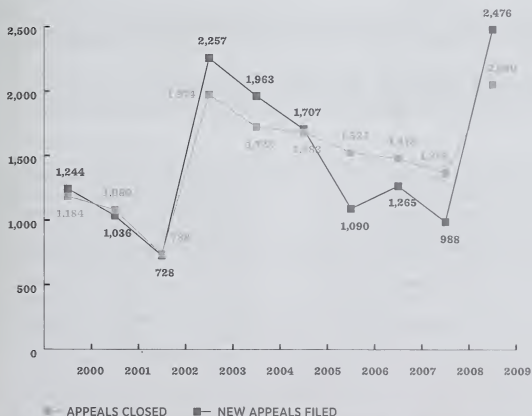
WORKING TO DEFEND VALUATION IN THE APPEALS PROCESS

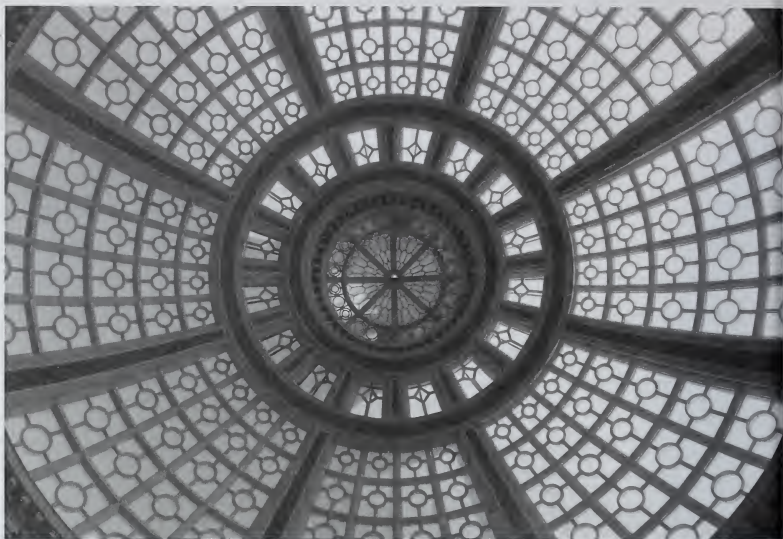
If a taxpayer disagrees with the assessed value of his or her property, they may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year with the Assessment Appeals Board (AAB). During FY 2008-2009, the AAB resolved 2,050 appeals.

ASSESSMENT APPEALS BOARD: OF 2,050 CLOSED APPEALS

112 lowered by the Board	5%
58 lowered per Assessor recommendation	3%
1,529 withdrawn pre-hearing	75%

Number of open cases (year to date):	1,052
Total Value Appealed:	\$19.9 billion
Total Taxpayer Opinion of Value:	\$11.8 billion
Total Tax Dollars at stake	\$93.7 million





PROMOTING TAX FAIRNESS AT THE STATE LEVEL

After Governor Schwarzenegger vetoed Senate Bill (SB)153 in 2008, a bill that Assessor-Recorder Phil Ting co-sponsored, the Assessor-Recorder proceeded to co-sponsor Assembly Bill 103 in a further effort to bring tax fairness to all Californians. Similar to SB 153, Assembly Bill (AB) 103 promoted the equal treatment of unregistered domestic partners under state property tax law. This legislation, AB 103, allows co-owners of real property to be excluded from a change in ownership – and subsequent reassessment – when one of the co-owners dies.

The intent of AB 103 aimed to extend equal benefit that married couples and registered domestic partners to individuals who are in relationships and own joint real property. Those that would benefit from this bill include siblings, unregistered domestic partners, and senior citizens who share expense and care for one another. These groups of people may face the possibility of losing their homes due to reassessment – which can often mean a significant increase in property taxes – when one co-owner dies. Unfortunately, AB 103 was held in committee and failed to advance through the legislative process.

INFORMING TAXPAYERS OF TAXATION EXEMPTIONS

We also grant property tax exemptions to properties owned by non-profit organizations, religious organizations, hospitals, and schools per the Revenue and Taxation Code with the guidance of the California State Board of Equalization. Residential properties where the property is the owner's primary residence also qualify for the homeowner's exemption.

2009 ASSESSMENT ROLL

QUALIFYING EXEMPTIONS

NOTE: THE ITEMS BELOW DO NOT INCLUDE EXEMPTIONS FROM THE UNSECURED ROLL

EXEMPTION	VALUE	% TOTAL
Private Schools	9,173,391	0.15%
Homeowners	650,328,000	10.37%
Hospitals	416,144,819	6.63%
Charitable - Non-profit	4,262,744,753	67.97%
Religious Organizations	225,201,598	3.59%
Veterans	12,977,508	0.21%
Churches	92,956,611	1.48%
Colleges/Universities	560,968,186	8.94%
Other	43,683,942	0.70%
TOTAL	6,273,478,808	100.00%

The day-to-day functions that we perform are crucial to the operations of the City and County of San Francisco. Beyond our responsibility and duties, however, we constantly strive to be innovative and look for ways to streamline our operations and maximize efficiency. Over the course of FY 2008-2009, Assessor-Recorder Ting reached out to other City officials and departments to implement policy ranging from a groundbreaking solar energy incentive program to closing a corporate tax loophole.



CLOSING CORPORATE LOOPHOLES

Assessor-Recorder Phil Ting worked with the San Francisco Board of Supervisors to craft a resolution that supports efforts to reform Proposition 13 by creating a split roll property tax system in California. Assessor-Recorder Ting collaborated with the Board of Supervisors and passed the resolution that called for changing the inequitable property tax system by eliminating corporate tax loopholes while continuing to protect homeowners.

CREATING SEPARATE BILLING FOR TENANCY-IN-COMMON OWNERS

As part of our efforts to ensure that our practices keep pace with the changes in the housing market, beginning in FY 2009-2010 we will begin providing individual assessments for Tenancy-In-Common (TIC) owners who request them (TICs are an increasingly popular way for San Franciscans to enter the housing market). Currently, TIC co-owners receive one property tax bill inclusive of the entire property. This would not change – all TIC co-owners will still receive one tax bill and are still liable for the full amount of property taxes owed, however, we will provide separate assessments intended to accomplish several things:

- Provide general knowledge regarding assessed value of individual units for TIC owners. The service is especially beneficial to buildings with multiple partial transfers as it will better protect the base year value of each TIC unit.
- Make additional information available to TIC owners to help them in their income tax preparation.
- Enable our staff to process documents more efficiently and accurately, resulting in increased equity and fairness among TIC owners.

We have been working with TIC organizations and are beginning outreach efforts. We intend to send applications to all TIC owners in the City that our office is aware of with the Notification of Assessed Value Letter that is mailed annually in July.



PROMOTING SOLAR ENERGY

On July 1, 2008, the ten-year project “GoSolarSF” was launched by Assessor-Recorder Ting and Vote Solar founder David Hochschild. GoSolarSF’s goal is to reduce the City’s dependence on conventional energy. At the end of 2007, only 580 solar rooftops existed in the CCSF. As a result of the GoSolarSF incentives that make solar arrays more cost-effective, San Francisco is currently home to 1,400 solar rooftops. CCSF received more than 860 applications for GoSolarSF incentives by the end of the first year, resulting in a total of \$6.8 million in requested incentives, which in turn created 33 new local ‘green collar’ jobs. As a result of the GoSolarSF program, San Francisco’s per capita solar generation is now the highest of any large city in California.

CHINA SF

San Francisco has had lasting economic and cultural ties with China for over 150 years. Today Chinese Americans are an integral part of San Francisco, making up 25% of the City's residents. As the Chair of ChinaSF's San Francisco Advisory Board, **Assessor-Recorder Ting sees San Francisco as an ideal place for Chinese companies.** ChinaSF is dedicated to helping make San Francisco the gateway for these companies looking to relocate and set up their business operations in the Bay Area.

Since its official opening in November 2008, ChinaSF has achieved early and substantive success towards the goal of improving San Francisco's economy and bringing jobs and investment to the City. Building upon the long-standing cultural and economic relationship with China, ChinaSF creates a critical business exchange platform that supports a robust trade between San Francisco and China to the mutual economic benefit of both economies.

In its first year, ChinaSF has significantly developed and broadened its business networks through the growth of its Advisory Boards and Strategic Advisers. These partners provide valuable advice on business development strategy and connection to on-the-ground information regarding Chinese companies looking to expand business operations to the US. Moreover, ChinaSF has brought new jobs and investment to San Francisco via the recruitment of six new Chinese companies to San Francisco. Each company brings employment to local residents, investment dollars to our local economy, and tax dollars to support local programs.

Furthermore, by targeting its business recruitment strategy and leveraging the strength of San Francisco's talent and innovation economy, ChinaSF has quickly established San Francisco as the US capitol for Chinese solar companies. Less than two years ago, San Francisco did not have a single Chinese solar firm within city limits. Through the efforts of ChinaSF, there are now four Chinese solar firms in San Francisco with a number of upcoming firms interested in locating in San Francisco's solar hub in the near future. Similarly, ChinaSF is aggressively pursuing sector strategies in the finance, digital media, biotech and real estate sectors.

GIS MAPPING TECHNOLOGY

As the office responsible for valuing all of the City's property, it is crucial that we have access to updated and accurate data on all commercial and residential properties in San Francisco. Our office has contracted with Pictometry, Inc. to offer several hands-on training sessions on using the latest GIS (Geographic Information Systems) mapping technology available. Pictometry's high resolution, aerial images are taken from low-altitude aircraft which are more accurate than satellite images. Hosted by the San Francisco Department of Technology, the trainings provide the appraiser team an opportunity to use the program as they would at their desk while being coached by the training representative.

The contract in place with Pictometry provides images through 2010, giving us a visual history of the city for the years 2007-2010. By utilizing these images, we can track progress of new construction, even after the fact, if it were missed during initial appraisal efforts. GIS technology can also be used as an invaluable measuring tool: an area measurement may be taken from the aerial photo, and we can also check the accuracy of the square footage of record, potentially avoiding an appeal.

In October 2007, we announced the department's utilization of GIS, and it is increasingly being integrated into everyday use by appraisers.



INCREASED LANGUAGE ACCESS/CULTURAL COMPETENCY

San Francisco's diversity is unparalleled. Local government needs to ensure that we are communicating with our citizens. We have been proactive at fulfilling this need by accommodating property owners who request language services. We have championed cultural competency and have increased language access among City departments for several years by having Assessor-Recorder Ting chair Mayor Newsom's Cultural Task Force and work with the San Francisco's Office of Language Services to help ensure the City meets today's language needs.

Annually, we send out Notices of Assessed Valuation Letters to all taxpayers advising them of their current value of their property, as well as any exemptions applied to their property. For the second consecutive year, we also sent notifications in Spanish and Chinese, as requested by taxpayers.

In an effort to reach out to non-English speaking property owners via mail for our Chinese and Spanish-speaking property owners, our Office provided similar translations in Russian, Tagalog, Vietnamese, and Japanese, on our website. As a result, property owners, who otherwise could not comprehend the English version of our notices, now greatly benefit from the translated documents and are responding to culturally competent notices accordingly.

Furthermore, we are also providing telephonic translation services to customers with limited English proficiency via in-person and over-the-phone transactions. Implemented in July 2008, we assisted over 300 calls in various languages with the most requested translated language being Cantonese. Other languages requested are Spanish, Mandarin, Farsi, Vietnamese, Burmese, Cambodian, Indonesian, Russian, and Korean.

Finally, to further streamline our customer services, our Office implemented a Customer Feedback Survey, which allowed customers to evaluate our services based on wait-time, helpfulness and courtesy of the employee, and overall customer service. Based on customer responses, 84% rated "Excellent" for a wait time of 1-5 minutes, 91% rated "Excellent" for helpfulness and courtesy of employee, and 86% rated "Excellent" for overall services.

REWARDING WHISTLEBLOWERS

In an effort to ensure businesses pay their fair share of property taxes, we developed the Real Estate Watchdog Program in 2006 to make sure that all commercial properties are assessed at fair market value to help capture revenue owed to San Francisco. Under this program, individuals can provide the City with information leading to the detection of property taxes that were underpaid because an owner failed to report a change in ownership. The “watchdog” that provides the report is eligible for a reward of up to 10% of the unpaid taxes. In 2008, the City collected an addition \$1.34 million in revenue after a citizen informed us of an unreported change in ownership for a commercial property in 2006. The Whistleblower complaints hotline is 415.554.CITY.



BIOGRAPHY OF THE ASSESSOR-RECORDER

As Assessor-Recorder of San Francisco, Phil Ting is a solutions-focused, innovative reformer whose efforts have enabled him to generate over \$160 million in new revenue for San Francisco while making sure everyone pays their fair share in property taxes.

Ting was appointed and later elected in 2005, becoming San Francisco's highest-ranking Chinese-American official. He has focused on reducing the assessment backlog from four to two years and every dollar that his office brings in means more money for the city to fund crucial programs for children, seniors and families.

TING IS A CHAMPION FOR INNOVATIVE AND GOOD GOVERNMENT POLICIES IN SAN FRANCISCO.

- He launched GoSolarSF, San Francisco's first municipal solar energy incentive program, in July 2008. This ten-year program is the product of the San Francisco Solar Task Force which Ting co-founded and co-chaired. He had the distinct honor of being awarded the 2008 Solar Champion Award from Vote Solar for "outstanding efforts to bring solar energy into the mainstream."
- He spearheads efforts to help homeowners and tenants facing foreclosure, including launching Don't Borrow Trouble, an education and outreach program; convening city officials and advocates to find local solutions to the foreclosure crisis; and creating a first-of-its-kind program that sends a letter providing resource information to at-risk homeowners and tenants once a Notice of Default has been recorded for the home.
- He introduced groundbreaking "Real Estate Watchdog" legislation which is aimed at capturing unreported changes of ownership. In 2008, the Assessor's office's first unreported change of ownership brought in \$1.34 million in additional revenue.
- He chairs the San Francisco Advisory Board for ChinaSF, a new public-private partnership dedicated to creating economic development opportunities by making San Francisco the gateway for Chinese companies looking to establish business operations in the Bay Area.
- Ting began his career as a real estate financial advisor, gaining practical and hands-on experience in fiscal management and property assessments while working at Arthur Andersen and CB Richard Ellis. Prior to serving as the Assessor-Recorder, Ting also had a long history of civil rights advocacy - he was the Executive Director of the Asian Law Caucus, an organization founded in 1972 to advance and promote the legal and civil rights of the Asian Pacific Islander community. Ting serves on numerous boards including Equality California Institute and the California Alumni Association.

Ting is a graduate of University of California, Berkeley and Harvard University's John F. Kennedy School of Government. He lives in San Francisco's Sunset District with his wife, Susan Sun and their daughter, Isabella.

The Office of the Assessor-Recorder is proud to have a hard-working, devoted staff. As indicated in the chart below, the staff comes from a variety of cultural backgrounds.

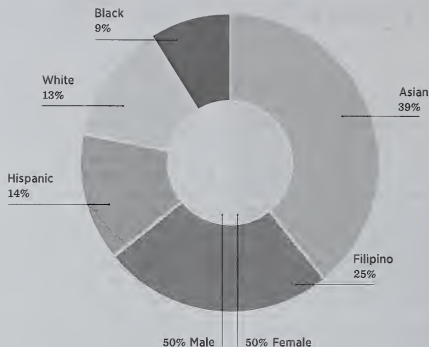
ASSESSOR-RECORDER STAFF

Mo'min Abdun-Noor
 Terris Abhaya
 Maria Ahumada
 Roland Alcantara
 Michelle Andry
 Caroline Arguelles
 Ophelia Armendarez
 Sally Aung
 Darius Bahador
 James Bias
 Arlene Boongaling
 Natividad Caramat
 Iris Chan
 Jimmy Chan
 Larry Chan
 Kit Chau
 Anita Chen
 Alice Cheung
 Stephen Chin
 Sandra Chow
 Stella Chow
 Ann Chwang
 Elizabeth Cooper
 Diane Cirrincione
 Ellen Collaco
 Teresa Contro
 Charles Crowder
 Mary Jane Cruz
 Federico De Guzman
 Rufino De Leon
 Tam Doan
 Craig Dziedzic
 Wah Eng
 Natalya Epelbaum
 Pio Factor
 Myrna Flores
 Julie Ford
 Iluminada Gaerlan
 Donna Gilliam
 Georgina Gogna
 George Gomez

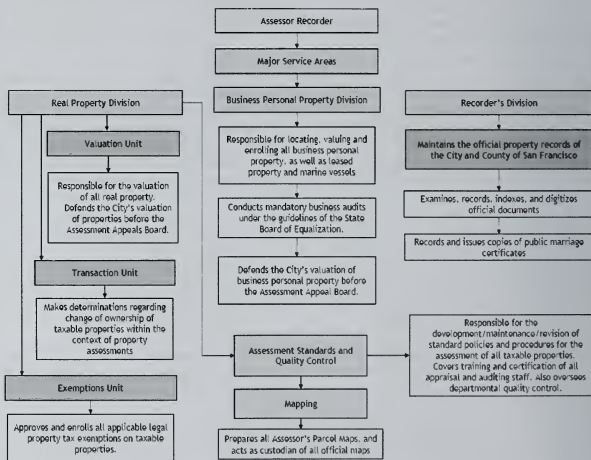
Jocelyn Gordon
 Aleda Graham
 Leticia Granados
 Carmelita Harris
 Carlota Hilario
 Victor Hua
 Harvey Huey
 John Hui
 Carolyn Hunter
 Hakam Ibrahim
 Buena Ignacio
 Abdul Janjua
 Michael Jine
 Alice Kim
 Tim Kingsbury
 Kimberly Kitano
 Guadalupe Laurente
 Joe Lee
 Liza Lee
 Ricky Lee
 Julia Leiva
 Maurilio León
 Thida Leung
 Peggy Liang
 Mara Lim
 Carrie Liou
 Maria Los Banos
 Suzzette Love
 Angela Lucas
 Meng Luu
 Kevin Alin
 Dennis May
 Fernando Mendoza
 Shanna Ngo
 Zoon Nguyen
 Wilson Novillos
 James Pan
 Melissa Panday-Shrawder
 Oscar Pasamonte
 Feliciano Payumo
 Chona Pascoguin

Alicia Petalver
 Kathleen Pierpont
 Sandy Pubill
 Maria Quinones
 Edward Rafael
 Daniel Reyes
 Felix Rodriguez Jr.
 Brix Salbino
 Christopher Sam
 Dinora Sanchez
 Gladys Sanchez
 Ruth Santana
 Catherine Saul
 Antonio Segarra
 Kan Shen
 Julie Shu
 Edward Smith
 Robert Spencer
 Ronald Sto-Domingo
 Lena Surjadi
 Pauline Tam
 Susana Tan
 Gilbert Tang
 Thomas Tang
 Terry Tanjutco-Smith
 Alex Tharayil
 Matthew Thomas
 Phil Ting
 Fanny Truong
 Felemina Uban
 Manuel Uy
 Concepcion Vindell
 Donald Wiggam
 Vincent Williams
 Cecilia Wong
 Frank Wong
 Gregory Wong
 Julie Wu
 Rasheeda Young
 Teresita Xander

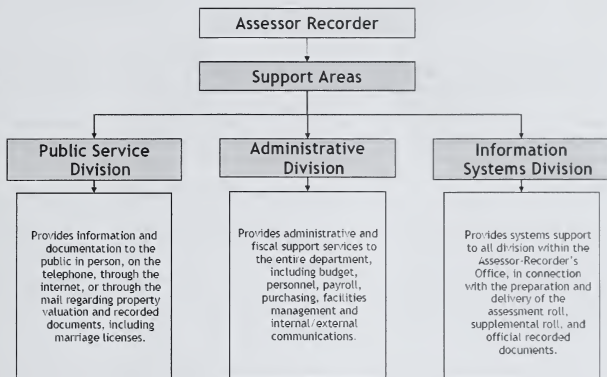
STAFF COMPOSITION



RESPONSIBILITIES



OFFICE DIVISIONS



What is the role of the Assessor-Recorder?

ASSESSOR

The role of the Assessor-Recorder is to value property in a fair and equitable manner according to California's Revenue and Taxation Laws and strives to collect every tax dollar owed to the city. Our team works hard

to locate all taxable property in the County and identify the ownership. We then establish a taxable value for all property subject to property taxation and list this value on the assessment roll. All tangible property is taxable unless constitutionally

exempt. Another of our office's functions is to determine if real estate parcels are required to be reassessed upon a change of ownership or the completion of new construction in accordance with Proposition 13.

RECORDER

The Recorder serves as the custodian of public records and as such records all real property documents for the county, and registers marriage licenses and other public documents. The Recorder maintains an index and issues copies of all recorded documents to members of the public that request them.

The Recorder staff reviews, analyzes, and interprets large volumes of documents and determines whether they are recordable and in compliance with various state codes and local ordinances. The Recorder is responsible for interpreting and applying the requirements of the County Documentary Transfer Tax

Ordinance with regard to any lands, tenements, or other realty sold within the county. The Recorder also has the responsibility to collect and allocate the necessary recording fees pertaining to the Real Estate Prosecution Trust Fund and Monument Preservation Fund.

How are Property Tax rates calculated? What is Proposition 13?

Property tax is a tax placed on real and business personal property. It is an ad valorem tax, which means that it is based on a percentage of the property's value. There are three different types of property: real, personal and utility. Real property refers to the ownership of land and any improvements to the land. Personal property is any property except real estate, including boats, airplanes and all business property. Business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets

or application software. Utility property is property owned by utilities, such as railroads. Our office has jurisdiction over the assessment of real and business personal property.

Passed by California voters in 1978, Proposition 13 established a maximum property tax rate of one percent (1%) of the assessed value, plus any voter approved bonded indebtedness, service fees, improvements bonds and special assessments. This add-on was 0.163 percent for FY 2008-09 for a total property tax rate of 1.163 percent.

Proposition 13 also set a property's base value at its 1975-76 market value and limited increases to the assessed value of real property by no more than 2 percent per year or the Consumer Price Index (CPI), whichever is lower.

Proposition 13 tightly regulates property tax policy and was enacted in order to keep property taxes stable and predictable relative to variances in the housing market. Since the passage of Proposition 13, average assessed values have remained considerably lower than average sales prices in counties across the state.

When is Real Estate reappraised?

Real property is reassessed at its current fair market value under two conditions: 1) when there is a change in ownership and 2) upon completion of new construction or a change in use. This reassessment establishes a new base year value.

When a sale or transfer occurs, the Assessor's Office receives a copy of the deed and determines if a

reappraisal is required under State law. If a reappraisal is required, an appraisal is made to determine current market value of the property. The owner is then notified of the new assessment and the owner has the right to appeal the assessed value.

The transfer of property between spouses or registered domestic partners does not require a

reappraisal for property tax purposes. This includes transfers resulting from divorce or death of a spouse or domestic partner. In addition, a refinancing will not cause a reappraisal. There are other exclusions for senior citizens, the disabled, and those involving parent/child transfers which are discussed later.

What new construction is reappraised?

When the homeowner/taxpayer applies for a building construction permit with the Department of Building Inspection, the Assessor's Office receives the permit. The construction is new (such as a room

addition), a reappraisal is required. If the construction is for replacement, repair, or maintenance, a reappraisal is not required. In appraising new construction, the market value of the addition is determined and

added to the value of the existing property. The existing property, however, is not reappraised. As with a change-in-ownership, the owner is notified of the new assessment and can appeal the assessed value.

What is the assessment roll?

The assessment roll is the official list of all property within the County assessed by the Assessor, and is separated into a secured and unsecured roll. The assessment roll, which contains approximately 199,000 parcels as of the lien date of FY 2008-2009, is the basis on

which property taxes are levied. The secured roll includes property on which the taxes are a lien against the real estate. The unsecured roll includes property on which the property taxes are not a lien against the real estate where they are situated, including business personal property

or improvements located on leased land. This means that if the property owner defaults on the payment of property taxes, the City can place a lien on the home. Foreclosure occurs more frequently with residential property owners, since so many businesses lease their properties.

What is a Supplemental Assessment?

State law requires the Assessor to reappraise property, immediately upon change-in-ownership, completion of new construction or change in use. The Assessor's Office must issue a supplemental assessment

that reflects the difference between the prior assessed value and the new assessment. This value is then prorated based on the number of months remaining in the FY ending June 30. This supplemental is in

addition to the regular tax bill. To appeal a supplemental assessment, an application must be filed with the Clerk of the Board within 60 days from the mailing of notice of the supplemental assessment tax bill.

How do I appeal my assessed value?

Under State law, if the market value of your property (recent comparable sales) as of January 1 falls below the assessed or taxable value as shown on your tax bill, the Assessor's Office

is required to lower the assessment. This type of property tax relief generally applies to recently purchased property. Assessment appeals may be filed from July 2

to September 15. Please make sure to file your application with the Assessment Appeals Board before the deadline.

INFORMAL REVIEW OF ASSESSMENT

If you have reason to believe that the market value of your property as of January 1 is less than the amount shown on your annual notice

and you have factual evidence to support a lowered assessment, you can request an informal review by a staff appraiser by contacting us before September 2 by phone

(415) 554-5596 or email assessor@sfgov.org. Requesting an informal review does not preclude you from filing a formal appeal with the Assessment Appeals Board.

ASSESSMENT APPEALS BOARD

If you disagree with the assessed value or our informal review, you may file a formal "Application for Changed Assessment" with the Assessment

Appeals Board, an independently appointed review board. Application information can be obtained from the Clerk of the Assessment Appeals Board, City Hall - Room 405, 1 Dr. Carlton

B. Goodlett Place, San Francisco, CA 94102, phone (415) 554-6778 or web at www.sfgov.org/aab. Assessment appeals must be filed with the Clerk between July 2 and September 15.

Can I visit your office and do my own search?

Yes. We always encourage the public to conduct your own searches by

accessing our computer systems and general index on microfiche and

microfilm, we also have staff on duty to assist you or answer any questions

Does your office have map records?

The office carries three types of maps: block maps, parcel and condominium maps. For block maps, please provide the block number. For parcel and/or

condominium maps always provide the book and page. Block maps are printed on 8 1/2" by 11" for a \$3.00 fee per map Parcel and/or

condominium maps are printed on 18" by 24" for \$5.00 the first page and \$3.00 each additional page per map.

How can I apply for reducing my taxes as a homeowner?

If you own a home and occupy it as your principal place of residence on January 1, you may apply for a Homeowner's Exemption of \$7,000 from your assessed value. An exemption is an allowance

of a deduction from the taxable assessed value of the property as prescribed by law. New property owners will automatically receive an exemption application in the mail. Homeowner's exemptions may also

apply to a supplemental assessment if the property was not previously receiving a Homeowner's Exemption. There is no charge for filing for the Homeowner's Exemption.

How can I apply for reducing my taxes as a veteran?

Certain exemptions are available for veterans. A Veterans Homeowner's Exemption is available for the home of a disabled veteran or a disabled veteran's spouse, if the veteran, because of an

injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. If qualified, veterans are provided exemptions up to \$150,000 of taxable

value. An unmarried surviving spouse may also be eligible if the service person died as the result of a service-connected injury or disease while on active duty in the military.

Will my property be reassessed if I give it to my children?

The transfer of real property between parents and children can be excluded from reappraisal for property tax purposes. The

principal place of residence and up to a maximum of \$1,000,000 in assessed value of any additional property may be transferred

without an assessment increase. An application must be filed with the Assessor's Office to determine eligibility for this exclusion.

Are there exclusions available for seniors or Disabled Persons?

Disabled property owners or senior citizens over 55 years of age can buy a replacement residence of equal or lesser value than their

existing home and transfer their current tax value to the new home. The purpose of this is to provide tax relief for disabled persons and

seniors by preventing a property tax increase if they sell their existing home and buy another one.

What can I do if the market value of my property declines?

If you disagree with the value of your property, you should contact our Real Property Division. If a reduction in value is justified, we

can adjust the value or if not, aid you in applying to the Assessment Appeals Board for relief. If you file an assessment appeal on an existing

value, such appeal must be filed with the County Assessment Appeals Board (City Hall, Room 405).

What if my home is damaged from a fire or an earthquake?

If a major calamity such as a fire, earthquake or flooding damages or destroys your property; you may be eligible for property tax relief. In such cases, the Assessor's Office will

reappraise the property to reflect its damaged condition. In addition, when you rebuild it in a like or similar manner, the property will retain its previous assessment for tax purposes. To qualify

for property tax relief, you must file a calamity claim form with the Assessor's Office within 60 days from the date the property was damaged or destroyed and the loss must exceed \$5,000.

What is Business Personal Property?

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a

trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all

property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

I received a Business Property Statement (Form 571-L, 571-R), what's this all about?

The Assessor's records indicate that you were doing business at this location on the lien date, January 1. The lien date is the day that the taxes became a lien on the property and/or its owners, even though the valuation and tax bills have not yet been computed and mailed. The tax

lien date is January 1 of each year (Revenue and Taxation Code, Section 2192). All machinery, equipment, fixtures, construction in progress and leasehold improvement held or used in connection with a trade or business are taxable as business property. The property statement

is a means for you to declare all your taxable business property located within the City and County on the lien date, January 1, and is used to assist the Assessor in determining the value of taxable property for assessment purposes.

How is the assessed value determined?

Assessment begins with the cost of the asset, including sales tax, freight and installation. The Assessor applies a

depreciation factor to the asset cost and this becomes the assessed value. The depreciation schedule is based on

the expected economic life of the asset and is different from the depreciation schedule used by tax accountants.

When is Business Personal Property appraised?

Unlike real property, business personal property is appraised annually. The owners of all businesses must file a property statement each year with

the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office

has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation.

Why are you taxing my business assets, under what authority?

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people are familiar with the property

taxes on their home. The assets of a business are also subject to assessment and taxation. Section 201 of the Revenue and Taxation Code of

California states: "All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code".

I have a business in San Francisco but did not receive a Business Property Statement, what shall I do?

You must contact the Assessor's Office to enroll your business and have a 571-L Statement/Form sent to you. You may call our Business

Personal Property Division. The 571-L form will have your permanent account number, owner's name, mailing address, and business

location. You must complete the form, then sign and return the statement to the Assessor's Office.

Who must file a Business Property Statement?

Per Revenue and Taxation Code, Section 441, you must file a statement if the Assessor's Office has sent you a property statement OR you have taxable personal property

with a total cost of \$100,000 or more located within the City and County as of January 1 of each year even if no statement is sent to you. Failure to complete and return the

property statement will result in the Assessor estimating the value of your business property and adding a 10% penalty to the assessment (R&T Code, Sections 441, 463 and 501).

What is the last date to file the Business Property Statement without a penalty?

The due date for filing the Business Property Statement is April 1st. A 30-day extension until May 1st may be granted for reasonable cause. The request for extension must be made

in writing, preferably on company letterhead, and addressed to Phil Ting, Assessor-Recorder, Business Personal Property Division, 875 Stevenson St., Suite 100, San Francisco, CA 94103.

Please indicate the account number, if any, the location of the business and your title. Any property statement filed or postmarked after May 7th will have a 10% penalty added to the assessment.

How much will my taxes be?

Using a tax rate of 1.14% will give a conservative estimate of what the actual tax liability will be. Proposition 13 established a tax rate of 1% of the value of assessable

property. San Francisco tax rate is determined by the Board of Supervisors, based on property assessed value and bond measures passed by San Francisco voters. For

example, if the business depreciated assessed value is \$25,000 the property taxes on the business assets will be approximately \$285.

What if I don't agree with the value on my tax bill, can I dispute it?

The value can be corrected if a clerical or administrative error was made. In that case, first talk to an auditor how to go about correcting it. However, if the disagreement is a

matter of valuation, then you must file an "Application for Changed Assessment" with the Assessment Appeals Board no later than September 15th. Their telephone

number is (415) 554-6778. Pay it to avoid penalties (if it can not be cleared by August 31st). A refund will be sent to you if you win the case.

Is there any property that is exempt or that I do not have to report on my Business Property Statement?

The following are some common exempt items that should not be reported: Business Inventory

(Revenue and Taxation Code 129), Application Software (Property Tax Rule 152), Licensed Motor

Vehicles (R&T Code 10751), First \$50,000 of employee-owned Hand Tools (R&T Code 241).

Ad Valorem Property Tax

- Taxes imposed on the basis of the property's value.

Assessed Value - The taxable value of a property against which the tax rate is applied

Assessee - The person to whom the property is being assessed.

Assessment Appeal - The assessee may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year

Assessment Appeals Board - A three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal")

Assessment Roll - The official list of all property within the County assessed by the Assessor.

Assessment Roll Year - The year following the annual lien date and the regular assessment of property, beginning on July 1.

Audit Escape - The discovery of escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question.

Base Year (Value) - The 1975-76 regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction or changes in ownership create the base year

value used in establishing the full cash value of such real property.

Business Personal Property

Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property)

Change in Ownership - When a transfer of ownership in Real Property occurs, the Assessor determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base value of the property transferred, and a supplemental assessment is enrolled.

CPI - Consumer Price Index as determined annually by the California Bureau of Labor Statistics.

Exclusions from Reappraisal - Some changes in ownership may be excluded from reappraisal if a timely claim is filed with the Assessor's Office that meets the qualifications. Examples include the transfer of real property between parents and children or senior citizens over 55 who replace their principal residence.

Exemption - Allowance of a deduction from the taxable assessed value of the property as prescribed by law.

Homeowner's Exemption - People who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are reimbursed to the County by the State of California.

Exemptions: Other - Charitable, hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled Veterans (for 100%, service-connected disabled Veterans) are eligible for exemption.

Factored Base Year Value - A property's base value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The factored base value is the upper limit of taxable value each year.

Fiscal Year - The period beginning July 1 and ending June 30.

Fixture - An improvement to real property whose purpose directly applies to or augments the process or function of a trade, industry or profession.

Full Cash Value (FCV) - The amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1.

Improvements - Buildings or structures generally attached to the land. Improvements may also include certain business fixtures.

Lien - The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.

Lien Date - The time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1 (effective January 1, 1997) preceding the fiscal year for which

the taxes are collected. The lien date for prior years was March 1.

New Base Year (Value) - The full cash value of property on the date it changes ownership or when new construction is completed.

New Construction - The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.

Parcel - Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes.

Personal Property - Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.)

Possessory Interest (PI) - The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. An example of a PI includes the exclusive right to use public property at an airport such as a car rental company's service counter. The vendors are subject to property taxes. Regardless of the type of document evidencing the right to possession, a taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property.

Proposition 13 - Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that

limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.

Proposition 8 - Passed by California voters in November 1978, Proposition 8 requires for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.

Real Property - Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.

Roll - A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.

Roll Unit - A parcel of property or a business personal property account that is assessed for annual valuation.

Roll Year - See "assessment roll Year."

SBE - See "State Board of Equalization."

Secured Roll - Property on which the property taxes are a lien against the real estate.

Special Assessments - Direct charges or flat fees against property which are included in the total tax bill but are not based upon the Assessor's valuation of the property. Examples are a sewer charge or a school parcel tax.

State Board of Equalization - The State Board consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are imposed by the State Constitution and the Legislature. The State Board

regulates county assessment practices and administers a variety of State and local business tax programs.

Supplemental Assessment - When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment roll. It is based on the net difference between the previous assessed value and the new assessment.

Supplemental Roll - The roll, prepared or amended, contains properties in which a change in ownership or completed new construction occurred.

Tax Rates - The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.

Tax Roll - The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.

Transfer - Change in the ownership of, or change in the manner which, property is held.

Unsecured Roll - Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land. On the specific situation, a transfer may trigger a reassessment of the property.

IMPORTANT DATES FOR PROPERTY OWNERS

- JANUARY 1** The date taxes for the next fiscal year become a lien on property.
- FEBRUARY 15** Deadline to file all exemption claims.
- APRIL 1** Due date for filing statements for business personal property and marine vessels.
- APRIL 10** Last day to pay second installment of secured property taxes without penalty.
- MAY 7** Last day to file a business personal property statement without incurring a 10% penalty.
- JULY 1** Local assessment roll is surrendered to the Controller. The local assessment roll is the official list of all taxable property within the County.
- JULY 2** First day to file assessment appeal application with the Assessment Appeals Board.
- AUGUST 31** Regular roll unsecured taxes due.
- SEPTEMBER 15** Last day to file an assessment appeal application for reduced assessment with the Assessment Appeals Board, unless extended to November 30.
- DECEMBER 10** Last day to pay first installment of secured property taxes without penalty.



NOTES:

The Assessor-Recorder's Office is open Monday thru Friday 8:00 A. M. to 5:00 P. M., excluding legal holidays. Document recording is available 8:00 A. M. to 4:00 P. M. We have a public service desk that is staffed during business hours where you can inquire about property, tax rates and recorded documents.

If you have a question about your tax bill, please contact the Treasurer/Tax Collector at 554-7500 or www.sfgov.org.

You can also call (3-1-1) for information and assistance with any non-emergency services.

**Office of the Assessor-Recorder
City & County of San Francisco
PHIL TING, ASSESSOR-RECORDER**

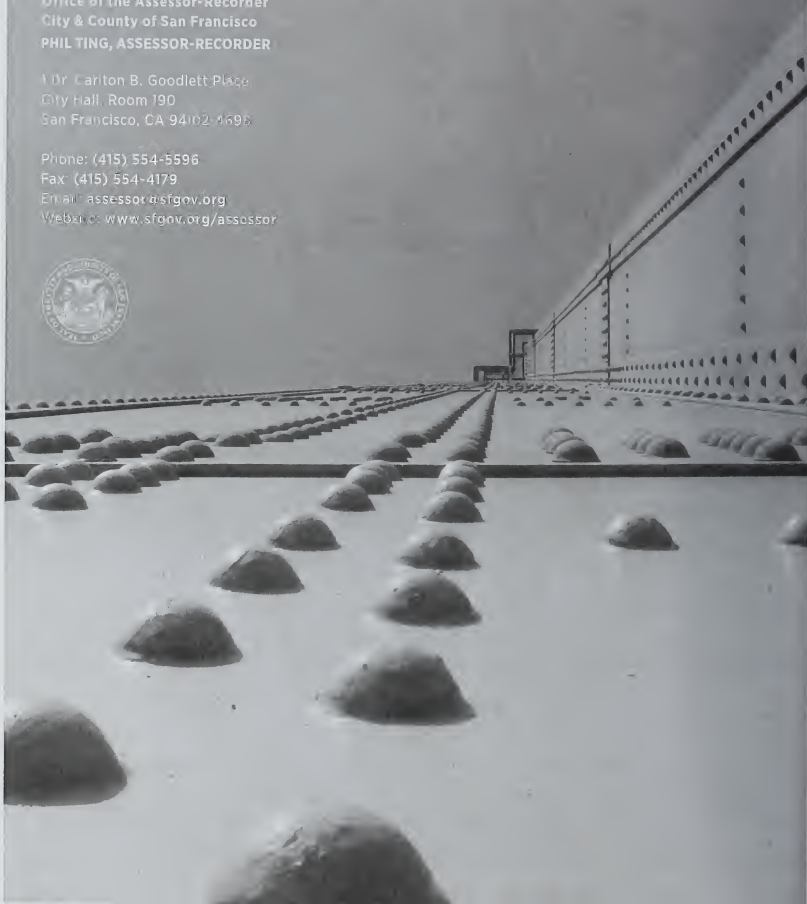
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ANNUAL REPORT 2010

CITY & COUNTY OF SAN FRANCISCO
OFFICE OF THE ASSESSOR-RECORDER
PHIL TING, ASSESSOR-RECORDER





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GOVERNMENT
DOCUMENTS DEPT

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MESSAGE FROM THE ASSESSOR-RECORDER

This Annual Report details the real estate economy, property tax assessments, and recorded activity in the City and County of San Francisco (CCSF). For the first time since the passage of Proposition 13 in 1978, the California Consumer Price Index, which measures the change in the cost of goods and services, was negative and reduced all assessments statewide. This means every property owner in the state could receive a small tax break. Despite this and the statewide trend of declining roll values, San Francisco's assessment roll actually increased approximately 5% from \$150.9 billion the previous year to \$158.5 billion as of July 30, 2010.

At a time when government budgets are uncertain, our office is focused on fairly capturing all revenues owned to the City. The efforts of our office to work through previous changes in ownership capture transfer tax from unrecorded transactions, and assess new construction are all reflected in the increase of the 2010 assessment roll. The \$211 million in additional tax dollars generated from supplemental and escape assessments were particularly important this year because they preserved vital services such as transportation, schools, and public safety that would have otherwise been cut to balance the City's budget. These services are crucial to the high quality of life that makes our City great. We will continue to ensure property is fairly assessed in an uncertain market and work diligently to help close the City's forecasted budget deficit.

Throughout my five years in office, I am proud of the improvements we have made and our ability to come in under budget each year. Our professional team of public service staff, appraisers, personal property auditors, and administrative staff continually seek to provide the best possible public service and ensure property values are accurately assessed. This year, for example, we reviewed 20,732 properties and determined that temporary assessment reductions were warranted for 87% of them. For a single family residence that received a temporary reduction, the average tax savings was \$1,700. In addition, we increased our outreach efforts to homeowners facing foreclosure, alerted the public to tax reduction and real estate scams, and provided translated materials to non-English speakers. I am also pleased with the work we have done with our partners in City government and non-governmental stakeholders to increase the number of rooftop solar installations in San Francisco.

Although we anticipate another challenging year ahead and face an historic increase in the number of assessment appeals, I have the utmost confidence that our professional staff will continue to be responsive to the public, seek new ways to improve operations, and exceed expectations. Thank you for your interest in the Office of the San Francisco Assessor-Recorder, and please do not hesitate to contact our office with questions or suggestions.

Sincerely,



Phil Ting

REAL ESTATE MARKET SNAPSHOT

The Bay Area real estate market in FY 09-10 saw downward pressure on property values but fared better than national markets. The high unemployment rate and continued weakness in the labor market will limit the pace of the real estate market's recovery regionally. San Francisco's residential market has shown signs of stabilizing and rebounded as measured by price increases in some areas. Our real estate economy has fared better than most other counties in California because of its desirable location, educated workforce, and a sense that the retreat in prices has opened up buying opportunities rarely available. The real estate picture for FY 10-11 remains mixed with much depending on the strength of the overall economic recovery.

The median price for all new and resale San Francisco houses and condos in June 2010 was \$800,000, up 4.6% from June 2009. In FY 09-10, San Francisco added 1,013 single family residential parcels to the assessment roll and saw an

increase in average assessed value of 2.18% compared with the prior fiscal year. Over the past five years, the average increase in assessed value for these parcels was 6.2%.

While there was an increase in housing values in San Francisco, foreclosure information shows that borrowers across the City are having trouble making mortgage payments. The 2,538 notices of default recorded in our office in FY 09-10 were up 14% from the 2,229 recorded in the previous fiscal year. Trustee deeds, which represent homes sold at auction, were up 10% from the previous fiscal year. In addition, DataQuick reports the number of homes sold across the San Francisco Bay Area in June 2010 declined 3.1% compared to June 2009, although federal and state tax credits boosted transaction earlier in spring 2010.

The commercial real estate market in San Francisco is slowly recovering from significant declines, perhaps based on the belief that the market has bottomed, but uncertainty about

longer-term prospects for growth remains. The first quarter of 2010 saw more companies increase their occupancy for the first time in the past seven quarters according to Colliers International. There are, however, continuing challenges, according to Tri Commercial Real Estate, with some large office properties, such as One Sansome and Foundry Square One, taken back by their lenders, and businesses unwilling to increase employment or expand until growth is more certain. Presently, landlords are generous in their offers to tenants offering free rent, tenant improvements and a moving allowance and will likely seek long terms deals. In a positive development, 333 Market Street sold in June 2010 for \$333 million or about \$507 per square foot. According to Jones Lang LaSalle, this is the highest price paid for a property since the recession began.



AREAS OF ASSESSMENT ROLL GROWTH

At the close of San Francisco's 2010 roll on June 30, 2010, the total assessment roll grew by \$7.6 billion to \$158.5 billion, from \$150.9 billion the previous year. Unlike most other counties in California, our roll increased by 5.06% from the previous year; however, this represents the lowest percent increase in the local roll in the past ten years.

The development of new properties and the enrollment of new acquisition values of existing properties drive increases in our assessment roll. Higher property values mean more property tax revenue for San Francisco. As demonstrated by the map on page 5, the areas with the largest growth in value continue to be those where the City is investing in rebuilding and redeveloping neighborhoods.

The areas of the city with largest increase in real property assessed value from July 1, 2009 to June 30, 2010 are below:

SOUTH OF MARKET - VOLUME 25

- 2010: \$ 23,597,618,720
- 2009: \$ 21,157,581,247
- Percentage Change: 11.53%

MISSION BAY, LAKESIDE, DIAMOND HEIGHTS - VOLUME 44

- 2010: \$ 6,067,651,855
- 2009: \$ 5,525,973,168
- Percentage Change: 9.80%

POTRERO - VOLUME 26

- 2010: \$ 1,901,107,277
- 2009: \$ 1,735,172,215
- Percentage Change: 9.56%

EMBARCADERO - VOLUME 2

- 2010: \$ 7,193,214,180
- 2009: \$ 6,580,781,046
- Percentage Change: 9.31%

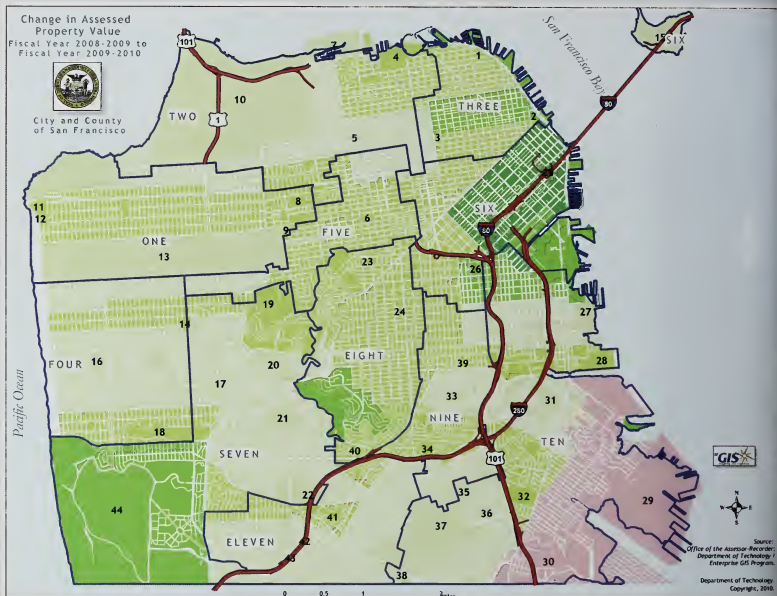
OUTER MISSION - VOLUME 34

- 2010: \$ 1,054,557,328
- 2009: \$ 1,010,760,704
- Percentage Change: 4.33%

HAIGHT-ASHBURY - VOLUME 9

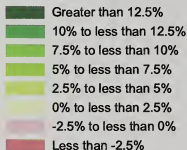
- 2010: \$ 3,472,157,175
- 2009: \$ 3,337,069,469
- Percentage Change: 4.05%

ASSESSMENT ROLL GROWTH



Supervisory Districts

Change in Assessed Value by Vol #
Pct Change FY2009 to FY2010

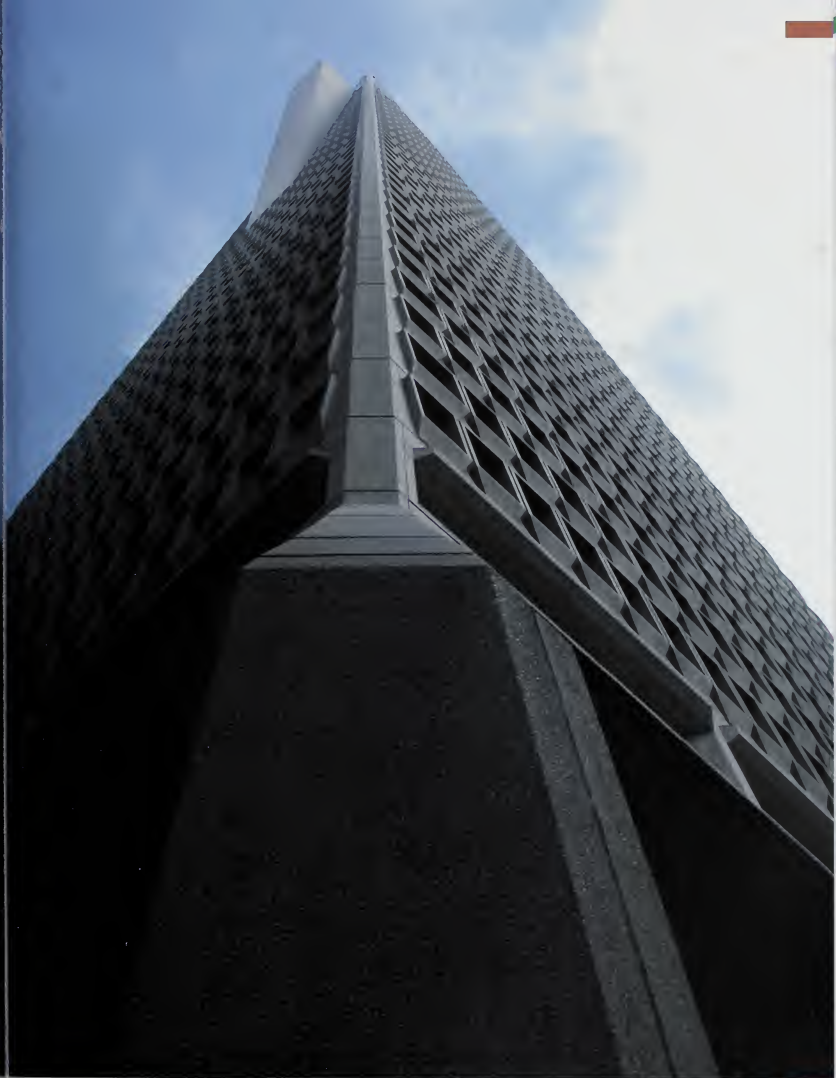


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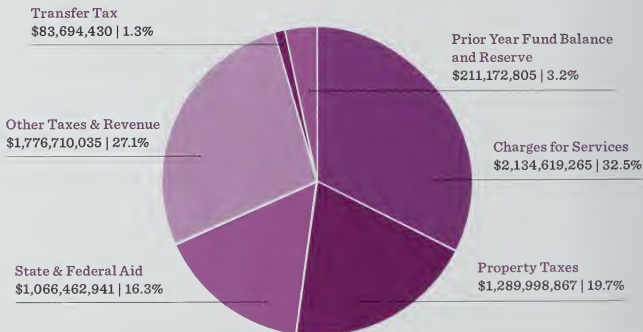


REVENUE

The Assessor-Recorder is responsible for locating all taxable property in the CCSF, identifying ownership, establishing a taxable value, and applying all legal exemptions. We are also responsible for recording legal documents that determine ownership of real property as well as maintaining, indexing and issuing copies of all recorded documents such as public marriage records. All functions of the office are conducted under provisions of the State Constitution, State and County Codes.

In FY 10-11, budgeted property tax accounts for 19.7% of all funds revenue and 33.2% of general fund revenue, which highlights the importance of our office. This year we were able to work a significant number of previous transactions that produced additional revenue over our budgeted numbers, which helped the City pass a balanced budget as required by law, and prevented cuts to important municipal services. In an effort to preclude budget reductions to city services, we diligently ensure that every tax dollar owed to the city is identified.

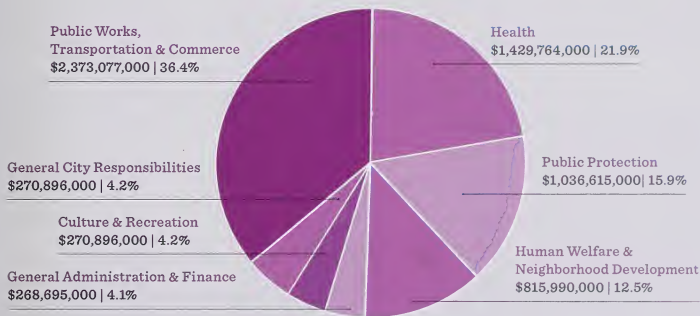
BREAKDOWN OF CCSF REVENUE SOURCES



THE CCSF BUDGET

Similar to other California counties, CCSF serves a dual role. We provide a vast array of municipal services to residents, including roads, parks, law enforcement, emergency response services, and libraries. We also serve as a delivery channel for many State of California services, such as foster care, public health care, law enforcement, and elections.

BREAKDOWN OF CCSF EXPENSES



The majority of CCSF spending is allocated into four broad categories: public safety, public works and transportation, public health, and welfare and community development. CCSF spending in the areas of public health and services for the poor and homeless is indicative of the pride the City has in taking care of our most vulnerable citizens.

*How Much Revenue does the Assessor-Recorder Generate?***ASSESSMENT ROLL**

The 2010-11 assessment roll grew to \$158.5 billion. This includes the reduction from the -.237% California Consumer Price Index and temporary Proposition 8 reductions. The total estimated tax revenue from the 2010-11 assessment roll is approximately \$1.84 billion.

ASSESSMENT ROLL SUMMARY

DESCRIPTION	JUNE 30, 2010	JUNE 30, 2009	%CHG.
SECURED ROLL	\$151,075,170,111	\$144,773,014,963	4.4%
UNSECURED ROLL	\$9,900,680,430	\$9,632,973,700	2.8%
SBE ROLL	\$2,394,558,930	\$2,100,927,324	14.0%
LESS: EXEMPTIONS	(\$4,848,892,089)	(\$5,623,150,808)	-13.8%
BASIS OF LEVY	\$158,521,517,382	\$150,883,765,179	5.1%

We are fortunate that our roll value continues to increase. This growth illustrates that despite national and regional economic challenges in the real estate economy, our property tax base remains strong. Over the past ten years, we have historically seen an annual average increase of 7.5% in our total roll value due to a strong real estate market and the 2% inflation annual increase allowed under Proposition 13. Even with over 18,000 property owners receiving a temporary reduction, we were one of only three California counties whose local roll increased by more than one percent.

The assessment roll has increased by more than \$46 billion over the past five years. During FY 09-10, the value of assessed property increased by over \$7.5 billion. This increase is a testament to the strength of our real estate market as well as the hard work and dedication of our staff.

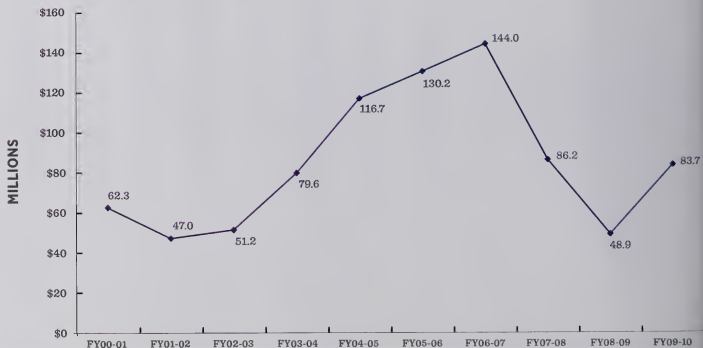
10 YEAR ASSESSMENT ROLL HISTORY



TRANSFER TAX REBOUND

Transfer tax is imposed on each deed, instrument, or writings for land, tenements, or other realty sold within the CCSF for recorded and unrecorded transactions. Because transfer tax is tied to the exchange of properties and their value, it is a volatile revenue source dependent on the real estate economy. This year saw a significant increase in real estate activity and as a result we collected \$83.7 million in transfer taxes, a significant increase from the \$49 million collected the previous fiscal year. *Part of this increase was due to our office's close examination of transactions, which resulted in \$9.9 million in collections from unrecorded and under-reported real estate transactions.* This represents almost 12% of the total transfer tax collected this year. The \$38.4 million of transfer tax revenue over the budgeted \$45.3 million was additional revenue that helped CCSF close its budget deficit and pass a balanced budget.

TRANSFER TAX REVENUE HISTORY

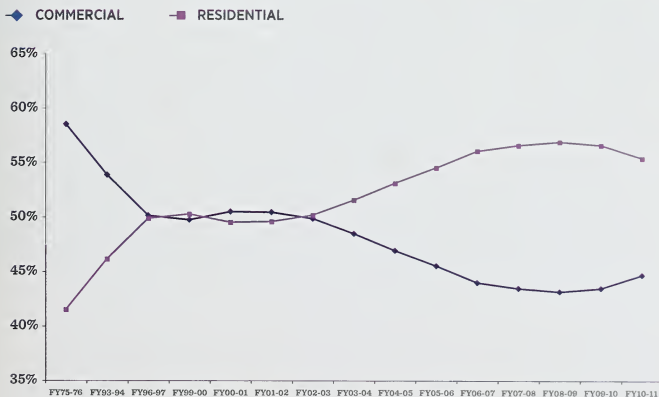


RESIDENTIAL VS. COMMERCIAL TAX BURDEN

From 1975 to today, the ratio of residential parcels to commercial parcels in San Francisco has remained essentially unchanged. However, the share of property taxes has shifted from commercial to residential property owners. Currently, commercial properties contribute 45% of property taxes while home owners contribute 55%. Generally, the commercial property figures include income-producing properties, while the residential property figures represent owner-occupied properties.

The passage of Proposition 13 in 1978 limits the annual real estate tax on parcels to 1% of their respective assessed values plus local debt service and limits the increase of a property's assessed value to no greater than 2% per year or the current rate of inflation, whichever is less. Furthermore, a property is not reassessed unless it undergoes a change in ownership or there is new construction.

SHARE OF PROPERTY TAX BURDEN



LARGEST ASSESSEES

The table below shows the name and location of the largest assesseses in San Francisco, the type of property, and the total assessed value.

TOP TEN PROPERTY ASSESSEES

ASSESSEE	LOCATION	TYPE OF BUSINESS	ASSESSED VALUE
Paramount Group Real Estate Fund	1 Market Street	Commercial Office	\$1,304,371,973
HWA 555 Owners LLC	555 California Street	Commercial Office	\$897,709,333
Mission Street Development LLC	301 Mission Street	Multi-Family Residential	\$595,211,662
California Pacific Medial Center	2333 Buchanan Street	Commercial Hospital	\$543,545,941
Emporium Mall LLC	845 Market Street	Commercial Retail	\$446,332,487
333 Market Street LLC	333 Market Street	Commercial Office	\$384,035,672
SHC Embarcadero LLC	4 The Embarcadero	Commercial Office	\$380,622,666
SHR St. Francis LLC	301-345 Powell St	Commercial Hotel	\$375,896,440
Post-Montgomery Associates	165 Sutter Street	Commercial Retail	\$369,447,061
Post-Montgomery Associates	1 Hilton Square	Commercial Hotel	\$366,878,434
Total Taxable Assessed Valuation - All Above Assesseees			\$5,664,051,669

TITLE PROPERTY TYPES

San Francisco has over 200,000 parcels that comprise its assessment roll and the majority of these, nearly 70%, are single-family parcels. However, as the table below shows, no single property type accounts for a majority of the overall roll value. The three largest shares of the assessment roll are single-family residential (47%), multi-family residential (20%), and commercial office (16%). The table also lists the percentage change in roll value for each property type as compared to the previous year.

REAL PROPERTY ASSESSMENT ROLL BY PROPERTY TYPE

PROPERTY TYPE	ROLL VALUE			PARCELS	
	Amount (in \$)	% Growth	% of Total	Count	% of Total
Single-Family Residential	\$69,727,854,806	2.3%	46.9%	139,918	69.8%
Multi-Family Residential	\$29,633,058,329	4.5%	19.9%	35,842	17.9%
Commercial - Hotel	\$5,498,879,080	-0.3%	3.7%	737	0.4%
Commercial - Misc	\$6,246,652,092	9.5%	4.2%	9,676	4.8%
Commercial - Office	\$23,728,176,683	12.1%	16.0%	1,490	0.7%
Commercial - Retail	\$7,854,432,274	2.3%	5.3%	3,707	1.9%
Industrial	\$2,914,103,210	7.0%	2.0%	2,397	1.2%
Others/Miscellaneous	\$2,941,650,398	4.9%	2.0%	6,010	3.0%
Government	\$93,147,470	-2.5%	0.1%	632	0.3%
Total	\$148,637,954,342			200,409	

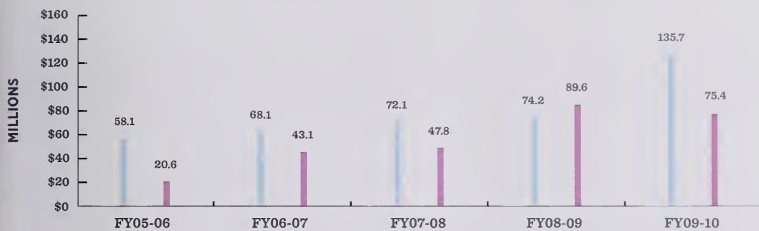
BACKLOG REDUCTION

Over the past five fiscal years, we have focused on expediting the processing and evaluation of supplemental and escape assessments to reduce the number of prior year transactions in the Department's backlog. Unprocessed supplemental and escape assessments (i.e. the "backlog") result when properties have undergone an assessable change in ownership or new construction, but have not been reappraised before the closing of that fiscal year's roll. Thus, these properties have escaped assessment in the fiscal year that the event occurred.

New supplemental and escape assessment revenue will total approximately \$211 million in FY 09-10, with over \$75 million in supplemental revenue and over \$135 million in escape assessment revenue. This represents a 29% increase in revenue compared to FY 08-09. This revenue growth is attributable to the continued progress that our Department is making in processing the backlog of changes in ownership and new construction. As the backlog continues to be reduced over time, the revenue generated from it will decline, but this should be viewed as a positive development indicating that more and more assessable events are being assessed within the fiscal year that they occurred.

SUPPLEMENTAL & ESCAPE REVENUE

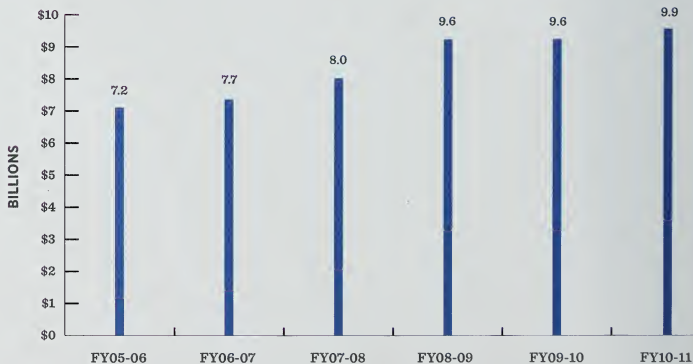
■ Supplementals ■ Escapes



UNSECURED ROLL

As a major contributor to roll growth, the 2010-11 unsecured assessment roll increased by 2.8% over the previous year. The unsecured roll is composed of property and possessory interest on which taxes are not secured by real estate and includes marine and vessels leases, aircraft, and business personal property. The increase in the unsecured roll was due to growth in small and large commercial businesses and their acquisition of more personal property. It is also due to the hard work of our staff and their efforts to capture new revenue.

2009 ROLL HISTORY



BUSINESS PERSONAL PROPERTY DIVISION

Our Business Personal Property (BPP) division conducts routine audits on a pool of accounts representing more than 37,000 City businesses paying personal property tax on unsecured assets. BPP generates nearly 6% of the total revenue from our Office for the City. The hard work of our division staff resulted in approximately \$100 million in tax revenue during FY 09-10.

In this time of deficits at all levels of government - federal, state and local - we constantly strive to do more with less. Additionally, we seek to ensure that we are more effective at assessing all assessable property. During FY 09-10, BPP worked diligently to generate more revenue for the City by continuing to coordinate with the County Treasurer & Tax Collector (Tax Collector). As a result of this effort, we added 6,800 new businesses to our accounts database and mailed the relevant forms as the first step in assessing business personal property tax on these new businesses.

To provide excellent customer service to the public, BPP began instituting "How to Fill Out the Business Statements (571-L's) Workshops" about three years ago. These workshops assist taxpayers who are either new to filing 571-L's or are in need of a refresher course. Every year, we hold two sessions at different times, and on different dates to accommodate businesses that have different operational hours. These workshops are well attended and much appreciated by taxpayers.

This year, we produced a video tape of one of the workshop sessions that we plan on uploading to our website for all interested parties to view.

RECORDER DIVISION

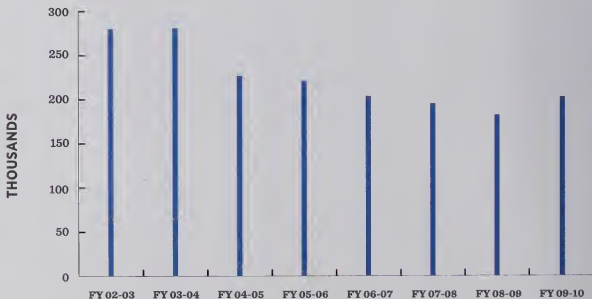
With a staff of only seven examiners, four indexers, and three microfilm technicians, the San Francisco County Recorder Division remarkably managed to produce an increase in transfer tax revenue in FY 09-10 and record 202,197 documents. This year's official document total represents a 11% increase over last year and reflects more real estate activity.

In FY 09-10, the Recorder recorded 13,111 documents subject to documentary transfer tax. It was the highest number of such documents ever recorded. The transfer tax revenue generated from these recordings was \$83.7 million.

Approximately \$14.3 million in transfer tax revenue was collected in June 2010 alone which helped eliminate San Francisco's record deficit as budget negotiations reached a critical stage. Compared to June 2009, when \$5.8 million was generated, the year over year increase was 245%. Moreover, the Recorder Division managed to collect over \$38 million in transfer tax revenue over budgeted projections for FY 09-10.

With due diligence, hard work, and teamwork, the staff at the Recorder's Division scrutinizes all claimed transfer tax exemptions at the time a document is presented for recording. Taxpayers claiming a transfer tax exemption are required to produce original documents (i.e., financial records, entity formation documents, etc) in order to verify that a transfer tax exemption applies. Additionally, the Recorder staff regularly reviews and analyzes transfer tax payments to avoid under reported or unreported payment. In the past fiscal year, approximately \$1 million was collected in under reported transfer taxes which would not have been captured by the General Fund if the Recorder Division staff did not review documents at the time of recording (e.g. in "real time") and reject exemptions that do not apply or were not substantiated.

COUNT OF OFFICIAL RECORDED DOCUMENTS



EQUITY AND FAIRNESS

Our staff is committed to serving the public and ensuring that everyone is treated fairly. We strive to inform taxpayers of their rights, alert the public about potential property scams, and make it our priority to ensure that people are not paying more than their appropriate share in property taxes. Additionally, since we handle all recorded documents related to real estate, we have been able to monitor and examine the effects of the real estate downturn on homeowners and we continue to help those facing foreclosure with information and resources. Below are some initiatives that we undertook in FY 09-10 to promote equity and fairness for taxpayers in San Francisco.

PROPOSITION 8 REDUCTIONS

Under state law, as of January 1st of every year, if the current market value of your property (as established by recent comparable sales) falls below the taxable value as shown on your tax bill, we are required to temporarily lower the assessed value. This year we received 6,462 taxpayer requests for Proposition 8 reductions and evaluated more than 20,700 properties including those granted temporary reductions last year. The average single family residence that qualified for a reduction received \$146,500 in reduced taxable value. Residential taxpayers could request an informal review for a temporary reduction between January 1, 2010 and March 31, 2010 and any taxpayer can file for a reduction from the Assessment Appeals Board (AAB) between July 2, 2010 and September 15, 2010.

This year, a total of 18,110 homes and timeshares were temporarily granted a reduced assessed value. The neighborhoods with the most reductions were Mission Bay (1,317), South Beach (1,052), and South of Market (685). The total value of this year's temporary reductions was \$1.96 billion with an estimated tax revenue decline of \$22.7 million.

KEEPING HOMEOWNERS & TENANTS IN THEIR HOMES

We make every effort to identify and contact homeowners and tenants shortly after a notice of default is recorded against the property where they live. These mailed letters inform homeowners and tenants of their rights and the resources available to help them remain in their homes. In addition, this year our office coordinated with lending institutions and non-profit housing counseling agencies to push for permanent loan modifications for borrowers in San Francisco who were behind in their payments.

San Francisco experienced historically high rates of mortgage defaults and foreclosures in FY 09-10, but the number of notices of default recorded is beginning to decline. Whereas in previous years, most of the foreclosures were only in the southern and southeastern sections of the City, this past fiscal year saw trustee sales in almost every zip code in San Francisco.

In FY 09-10, there were 900 trustee deeds recorded in San Francisco, a 43% increase from the 630 recorded last fiscal year. However, the number of notices of default recorded decreased in the fourth quarter of FY 09-10 by 49%, from the same period last fiscal year.

Foreclosures affect not only homeowners, but also tenants living in foreclosed properties. In San Francisco, where more than two-thirds of the city's residents are renters, tenants who live in buildings that are foreclosed are protected by our laws. While foreclosure is not 'just cause' for eviction under San Francisco's local rent ordinance (for rent-controlled units), renters are at risk of displacement by foreclosure, often due to a lack of knowledge among renters and banks about San Francisco's laws. Our office identified apartment buildings affected by foreclosure and sent letters to tenants living in these properties after a notice of default was recorded. The letter informs tenants of their rights and the resources available to help them remain in their home.



ALERTING AND EDUCATING CITIZENS TO REAL ESTATE SCAMS

This year we collaborated with Bay Area Assessors from Alameda, Contra Costa, and Marin Counties and Assemblymember Ted Lieu to warn homeowners about misleading and official-looking property tax reduction solicitations. To prevent future scams, Assembly Bill 992 officially outlaws these fraudulent letters beginning January 1, 2010. Additionally, in July 2010, our office mailed letters to homeowners who were solicited by companies with official sounding names seeking to scam homeowner looking to reduce their property values for a fee. The California Attorney General's Office has filed a lawsuit against the individual behind "Property Tax Adjuster's Inc."

Our office continues to lead efforts to help at-risk homeowners. We collaborated with San Francisco District Attorney Kamala Harris, Supervisor David Campos, and Supervisor Sophie Maxwell to pass legislation combating loan modification scams. In these scams, unscrupulous mortgage consultants take advantage of the unprecedented number of San Francisco residents struggling to make their mortgage payments. The Regulations for Mortgage Modification Consultants ordinance requires a written contract outlining proposed services and prohibits loan modification consultants from collecting a fee before helping a homeowner obtain a favorable loan modification. The ordinance provides for enforcement with criminal penalties and a private cause of action for aggrieved homeowners

The San Francisco Fair Lending Working Group ("Working Group"), established through the efforts of Assessor-Recorder Ting, Treasurer Jose Cisneros, and Supervisor Sophie Maxwell, studied and recommended strategies to address the mortgage foreclosure crisis in San Francisco. The Working Group presented their findings and recommendations to be endorsed by the San Francisco Board of Supervisors. The Working Group's recommendations touch on four policy objectives: preserving homeownership and preventing foreclosure; preventing predatory lending practices; protecting tenants' rights during and after foreclosure; and ensuring that affordable housing development and retention remains a top City priority.

MARRIAGE

Our office maintains official public records and collects City revenues from the recording of legal documents, including marriage licenses. In FY 09-10, we recorded 7,405 public marriage licenses and there were over 16,000 marriage licenses ordered. Our office is committed to the principle that everyone should have the right to marry.



WORKING TO DEFEND VALUATION IN THE APPEALS PROCESS

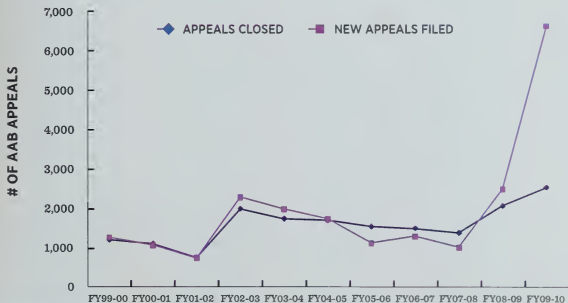
If a taxpayer disagrees with the assessed value of their property, they may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year with the Assessment Appeals Board (AAB). In FY 09-10, the 6,620 new appeals filed were almost three times as many as the 2,476 filed in the previous fiscal year.

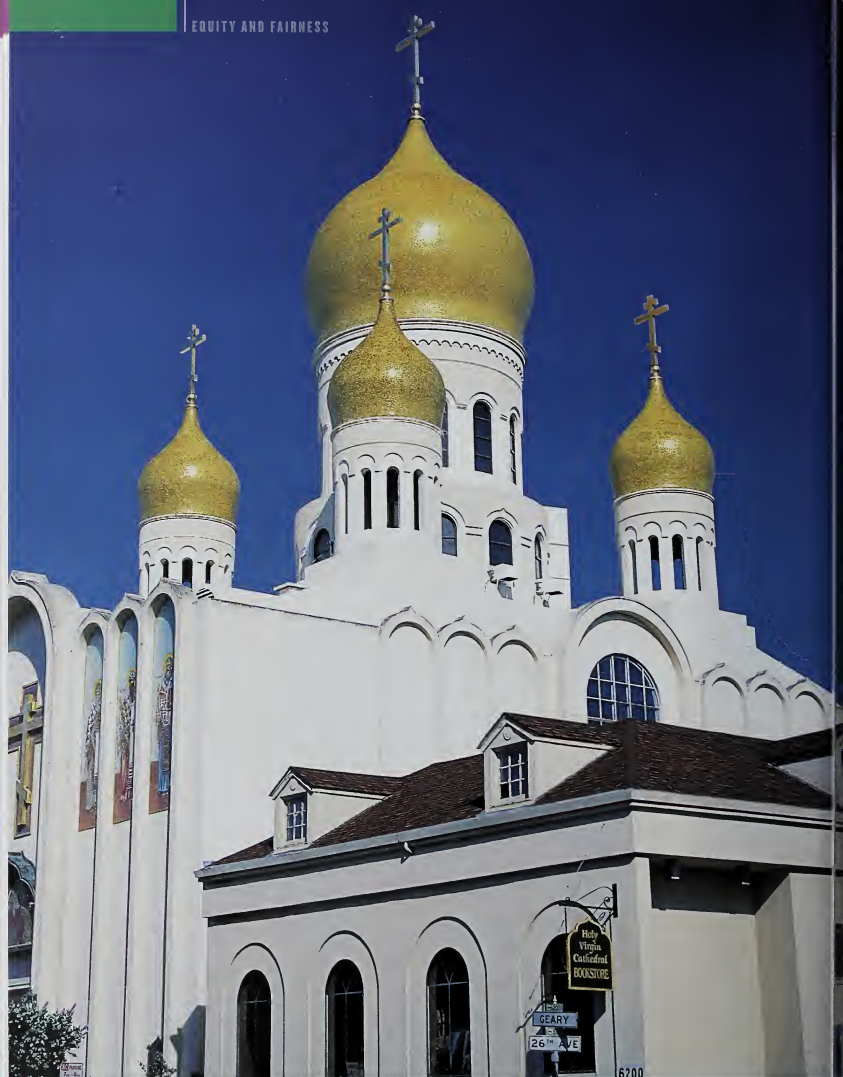
ASSESSMENT APPEALS BOARD: 2,526 CLOSED APPEALS IN FY 09-10

- 292 lowered by the Board
- 100 lowered per Assessor recommendation
- 1,455 withdrawn pre-hearing
- 40 stipulated agreements
- 176 denied by the board
- 463 invalid applications

- Number of open cases end of FY: 5,103
- Total Value Appealed: \$60.2 billion
- Total Taxpayer Opinion of Value: \$35.5 billion
- Total Tax Dollars at stake: \$286.4 million

NUMBER OF AAB APPEALS





INFORMING TAXPAYERS OF TAXATION EXEMPTIONS

We grant property tax exemptions to properties owned by non-profit organizations, religious organizations, hospitals, and schools per the Revenue and Taxation Code with the guidance of the California State Board of Equalization. Residential properties that are the owner's primary residence also qualify for the homeowner's exemption.

2010-11 QUALIFYING EXEMPTIONS

EXEMPTION	VALUE	% TOTAL
Private Schools	\$3,681,799	0.1%
Homeowners	\$655,466,000	11.9%
Hospitals	\$208,352,639	3.8%
Charitable - Non-profit	\$3,720,602,106	67.6%
Religious Organizations	\$238,351,464	4.3%
Veterans	\$13,056,833	0.2%
Churches	\$77,021,598	1.4%
Colleges/Universities	\$528,738,544	9.6%
Other	\$59,087,106	1.1%
TOTAL	\$5,504,358,089	100.0%

INNOVATION

Because our office functions are crucial to the CCSF, we constantly strive to be innovative and look for ways to better serve the public while maximizing efficiency. In FY 09-10, we partnered with other City officials and departments to implement policies ranging from a solar energy incentive program to closing corporate tax loopholes.



CLOSING CORPORATE LOOPHOLES

We worked with the San Francisco Board of Supervisors to successfully pass a resolution supporting efforts to implement an equitable split-roll property tax. This resolution also urged San Francisco's representatives in the California Senate and Assembly to continue to work to modify the definition of a "change of ownership" for commercial property. A split-roll property tax system would address the inequitable property tax burden on residential properties and clarifying what constitutes a change of ownership would eliminate a corporate tax loophole while continuing to protect homeowners.

CREATING SEPARATE BILLING FOR TENANCY-IN-COMMON OWNERS

As part of our efforts to ensure that our practices keep pace with the changes in the housing market, beginning in FY 09-10 we will begin providing individual assessments for Tenancy-In-Common (TIC) owners who request them (TICs are an increasingly popular way for San Franciscans to enter the housing market). Currently, TIC co-owners receive one property tax bill inclusive of the entire property. This would not change – all TIC co-owners will still receive one tax bill and are still liable for the full amount of property taxes owed, however, we will provide separate assessments intended to accomplish several things:

- Provide general knowledge regarding assessed value of individual units for TIC owners. The service is especially beneficial to buildings with multiple partial transfers as it will better protect the base year value of each TIC unit.
- Make additional information available to TIC owners to help them in their income tax preparation.
- Enable our staff to process documents more efficiently and accurately, resulting in increased equity and fairness among TIC owners.

We have been working with TIC organizations and are beginning outreach efforts. We intend to send applications to all TIC owners in the City that our office is aware of with the Notification of Assessed Value Letter that is mailed annually in July.



PROMOTING SOLAR ENERGY

On July 1, 2008, the ten-year project “GoSolarSF” was launched by Assessor-Recorder Phil Ting, Mayor Gavin Newson, Vote Solar founder David Hochschild, and the San Francisco Public Utilities Commission. GoSolarSF’s goal is to reduce the City’s dependence on conventional energy. At the end of 2007, only 580 solar rooftops existed in the CCSF. As a result of GoSolarSF incentives that reduce the cost of solar systems, San Francisco is currently home to 1,622 solar rooftops. CCSF received more than 1,300 applications for GoSolarSF incentives through June of 2010. This demand reserved some \$9.8 million of incentive funding that has created 40 ‘green collar’ jobs. In addition, San Francisco was recognized this year by the Northern California Solar Energy Association as the top large city in the Bay Area for solar installations due to the 241% increase in the number of systems installed from 2008 to 2009.

CHINASF

San Francisco has had lasting economic and cultural ties with China for over 150 years. This year we celebrated the 30th anniversary of our sister city relationship with Shanghai. As the Chair of ChinaSF's San Francisco Advisory Board, Assessor-Recorder Ting sees San Francisco as the premier North American location for Chinese companies. ChinaSF is dedicated to helping make San Francisco the gateway for Chinese companies looking to set up their business operations in the Bay Area.

Since its official opening in November 2008, ChinaSF has achieved early and substantive success towards the goal of improving San Francisco's economy and bringing jobs and investment to the City. ChinaSF has already facilitated the expansion of almost a dozen Chinese companies in San Francisco. Recently, ChinaSF has attracted companies such as Suntech, the world's third largest solar cell manufacturer, and China Daily, the national English-Language newspaper of China, to open offices in San Francisco. Each company brings employment to local residents, investment dollars to our local and regional economy, and tax dollars to support local programs.

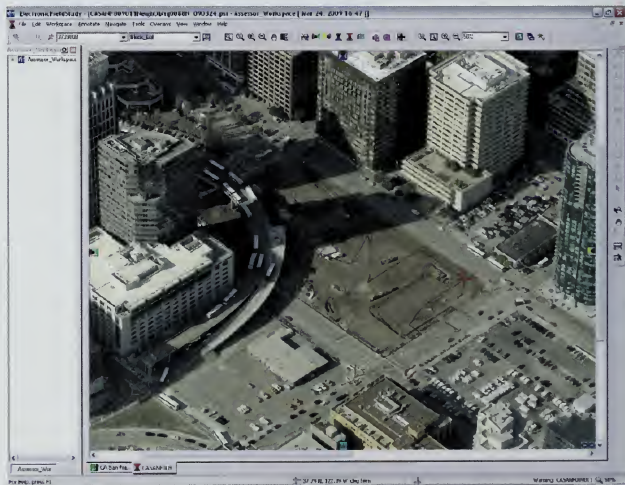
ChinaSF creates a critical business exchange platform that supports a robust trade between San Francisco and China to the mutual economic benefit of both economies. With the growth of its Advisory Board and Strategic Advisers, including both US and China-based business executives, ChinaSF provides valuable advice on business development strategy and connection to on-the-ground information regarding Chinese companies looking to expand business operations in the US. This network also enables ChinaSF to introduce San Francisco Bay Area businesses to partners and opportunities in China.

By targeting its business recruitment strategy and leveraging the strength of San Francisco's innovation economy, ChinaSF has quickly established San Francisco as the US capital base for Chinese solar companies. A few years ago, San Francisco did not have a single Chinese solar firm within city limits. Through the efforts of ChinaSF, there are now four Chinese solar firms, in San Francisco with a number of additional firms interested in locating in San Francisco's Cleantech hub in the near future. Similarly, ChinaSF is aggressively pursuing sector strategies in the finance, digital media, biotech and real estate sectors.

GIS MAPPING TECHNOLOGY

As we are responsible for valuing all of the City's property, our office seeks access to updated and accurate data on all commercial and residential properties in San Francisco. Our office has contracted with Pictometry, Inc. to offer several hands-on training sessions on using the latest GIS (Geographic Information Systems) mapping technology available. Pictometry's high resolution, aerial images are taken from low-altitude aircraft which are more accurate than satellite images. Hosted by the San Francisco Department of Technology, the trainings provide our appraiser teams an opportunity to use the program as they would at their desk while being coached by the training representative.

The contract in place with Pictometry provides images through 2010, giving us a visual history of the city for the years 2007-2010. With these images, we can track progress of new construction, even after the fact, if it were missed during initial appraisal efforts. GIS technology is an invaluable measuring tool. It permits us to get an area measurement from the aerial photo and check the accuracy of the square footage of record, enabling an accurate assessment and potentially avoiding an appeal.



INCREASED LANGUAGE ACCESS/CULTURAL COMPETENCY

San Francisco's diversity is one of our greatest assets; however, our government needs to ensure that we can effectively communicate with our citizens. We have been proactive in fulfilling this need by accommodating property owners who request language services and championing cultural competency. For several years, Assessor-Recorder Ting chaired Mayor Newsom's Cultural Task Force and worked with the San Francisco Office of Language Services to help ensure the City meets today's language needs.

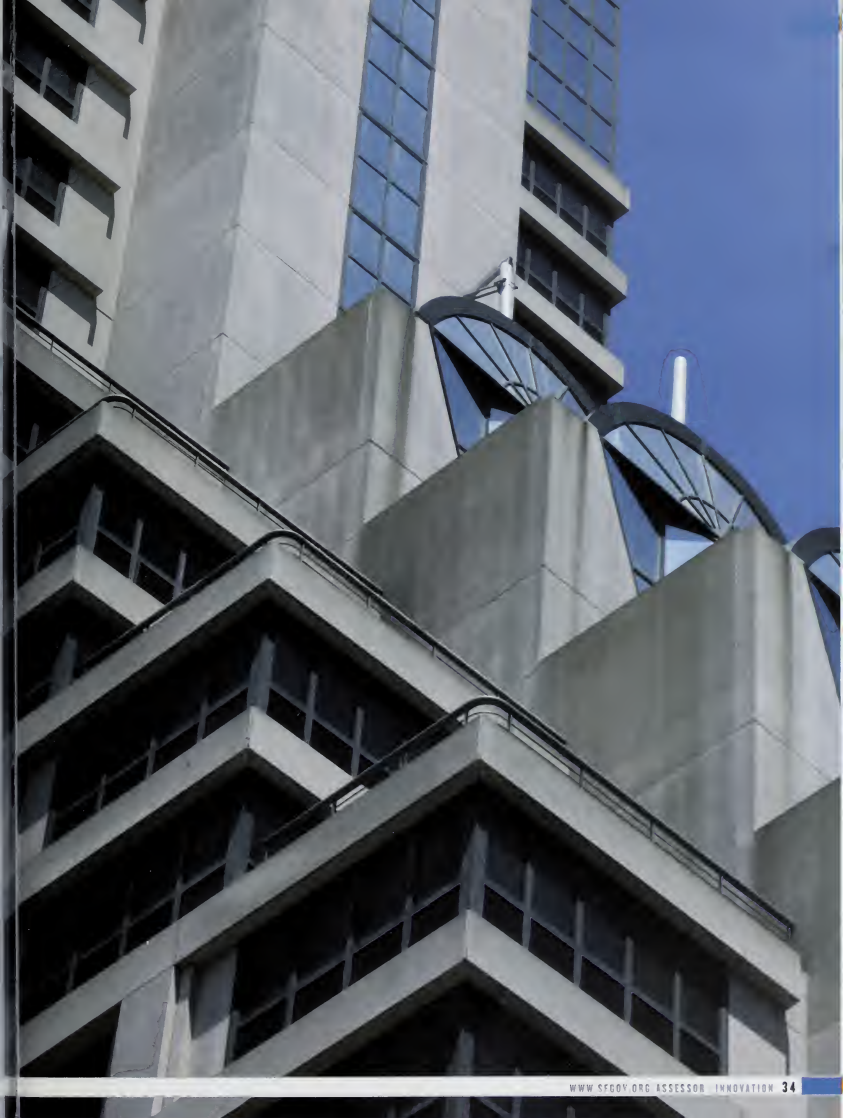
Annually, we send out Notices of Assessed Valuation letters to all taxpayers advising them of the current value of their property, and any exemptions applied to their property. For the third consecutive year, we also sent notifications in Spanish and Chinese, as requested by taxpayers. Our office provided similar translations in Russian, Tagalog, Vietnamese, and Japanese, through our website. As a result, property owners benefit from translated documents and culturally competent notification.

Furthermore, we are also providing translation services to customers with limited English proficiency via in-person and over-the-phone transactions. This year we assisted callers in various languages with the most requested translated language being Cantonese. Other languages requested were Spanish, Mandarin, Farsi, Vietnamese, Burmese, Cambodian, Indonesian, Russian, and Korean.

Finally, to further streamline our customer services, our office implemented a Customer Feedback Survey, which allowed customers to evaluate our services based on wait-time, helpfulness and courtesy of the employee regarding their issue, and overall customer service. Based on customer responses, 90% rated "Excellent" for the amount of wait time, 97% rated "Excellent" for helpfulness and courtesy of our employees, and 96% rated "Excellent" for overall service.

REWARDING WHISTLEBLOWERS

In an effort to ensure businesses pay their fair share of property taxes, we developed the Real Estate Watchdog Program in 2006 to make sure that all commercial properties are assessed at fair market value to help capture revenue owed to San Francisco. Under this program, individuals can provide the City with information leading to the detection of property taxes that were underpaid because an owner failed to report a change in ownership. The “watchdog” that provides the report is eligible for a reward of up to 10% of the unpaid taxes. In FY 09-10, the City collected an additional \$1.07 million in revenue after citizens informed us of unreported changes in ownership. The Whistleblower complaints hotline is 415.554.CITY.



BIOGRAPHY OF THE ASSESSOR-RECORDER PHIL TING

As Assessor-Recorder of San Francisco, Phil Ting is a solutions-focused, innovative reformer whose efforts have enabled him to generate over \$245 million in new revenue for San Francisco and make sure everyone pays their fair share in property taxes.

Ting was appointed and later elected in 2005, becoming San Francisco's highest-ranking Chinese-American official. He has focused on reducing the assessment backlog from four to two years and every dollar that his office brings in means more money for the city to fund crucial programs for children, seniors and families.

TING IS A CHAMPION FOR INNOVATIVE AND GOOD GOVERNMENT POLICIES IN SAN FRANCISCO.

- He launched GoSolarSF, San Francisco's first municipal solar energy incentive program, in July 2008. This ten-year program is the product of the San Francisco Solar Task Force which Ting co-founded and co-chairs. He had the distinct honor of being awarded the 2008 Solar Champion Award from Vote Solar for "outstanding efforts to bring solar energy into the mainstream."
- He spearheads efforts to help homeowners and tenants facing foreclosure, including launching Don't Borrow Trouble, an education and outreach program; convening city officials and advocates to find local solutions to the foreclosure crisis; and creating a first-of-its-kind program that sends a letter providing resource information to at-risk homeowners and tenants once a Notice of Default has been recorded.
- He champions closing corporate property tax loopholes and introduced groundbreaking "Real Estate Watchdog" legislation aimed at capturing unreported changes of ownership. The Assessor's office's first unreported change of ownership brought in \$1.34 million in additional revenue.
- He chairs the San Francisco Advisory Board for ChinaSF, a public-private partnership dedicated to creating economic development opportunities by making San Francisco the gateway for Chinese companies looking to establish business operations in the Bay Area.

Ting began his career as a real estate financial advisor, gaining practical and hands-on experience in fiscal management and property assessments while working at Arthur Andersen and CB Richard Ellis. Prior to serving as the Assessor-Recorder, Ting also had a long history of civil rights advocacy - he was the Executive Director of the Asian Law Caucus, an organization founded in 1972 to advance and promote the legal and civil rights of the Asian Pacific Islander community. He is past president of the Bay Area Assessors Association and has served on the boards of Equality California Institute, Cal Alumni Association, and the Center for Third World Organizing.

Ting is a graduate of UC Berkeley and Harvard University's John F. Kennedy School of Government. He lives in San Francisco's Sunset District with his wife, Susan Sun, and their daughters, Isabella and Madeleine.

The Office of the Assessor-Recorder is proud to have a hard-working, devoted staff. As indicated in the chart below, the staff comes from a variety of cultural backgrounds.

ASSESSOR-RECORDER STAFF

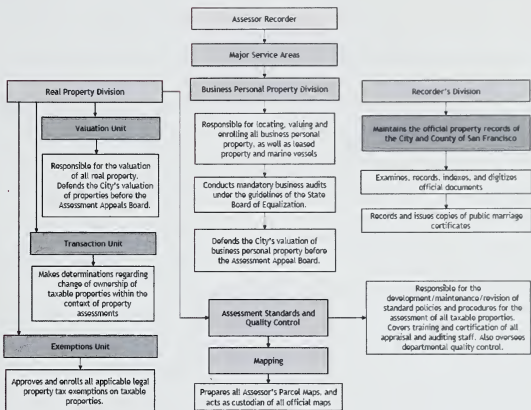
Mo'min Abdun Noor
Blair Adams
Terris Abhaya
Maria Ahumada
Roland Alcantara
Michelle Andr
Caroline Arguelles
Ophelia Armendarez
Jenae Armstrong
Sally Aung
Darius Bahador
James Bias
Arlene Boongaling
Kurt Botn
Natividad Caramat
Iris Chan
Jimmy Chan
Larry Chan
Kit Chau
Anita Chen
Alice Cheung
Stephen Chin
Sandra Chow
Stella Chow
Ann Chwang
Elizabeth Cooper
Diane Cirrincione
Ellen Collaco
Teresa Contro
Charles Crowde
Mary Jane Cruz
Rosalita Fernandez
Summer Graham
Rufino De Leon
Angela D'Anna
Tam Doan
Craig Dziedzic
Wah Eng
Natalya Epelbaum
Pio Factor
Myrna Flores
Julie Ford
Illuminada Gaerlan
Donna Gilliam
Georgina Gogna

George Gomez
Jocelyn Gordon
Aleda Graham
Leticia Granados
Carmelita Harris
Carlota Hilario
Eric Ho
Victor Hua
Harvey Huey
Helen Hui
John Hui
Chanda Ikeda
Kevin Alin
Kimberlee Kimura
Hakam Ibrahim
Buena Ignacio
Abdul Janjua
Michael Jine
Alice Kim
Kimberly Kitano
Timothy Landregan
Guadalupe Laurente
Joe Lee
Liza Lee
Ricky Lee
Julia Leiva
Maurilio León
Thida Leung
Peggy Liang
Mara Lim
Carrie Liou
Maria Los Banos
Angela Lucas
Meng Luu
Mark McLean
Dennis May
Fernando Mendoza
Gary Nettles
Shanna Ngo
Zoon Nguyen
Wilson Novillos
James Pan
Melissa Panday-Shrawder
Oscar Pasamonte
Feliciano Payumo

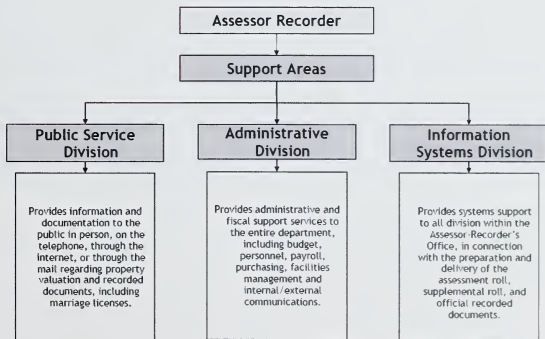
Chona Pazcoguín
Alicia Petalver
Kathleen Pierpont
Sandy Pubill
Maria Quinones
Edward Rafael
Daniel Reyes
Felix Rodriguez Jr.
Briz Salbino
Christopher Sam
Dinora Sanchez
Gladys Sanchez
Ruth Santana
Catherine Saul
Antonio Segarra
Kan Shen
Julie Shu
Richard Sin
Edward Smith
Robert Spencer
Ronald Sto-Domingo
Lena Surjadi
Pauline Tam
Susana Tan
Gilbert Tang
Thomas Tang
Terry Tanjutco Smith
Alex Tharayil
Matthew Thomas
Phil Ting
Fanny Truong
Felemina Uban
Manuel Uy
Concepcion Vindell
Donald Wiggam
Benjamin Weber
Vincent Williams
Cecilia Wong
Frank Wong
Gregory Wong
Julie Wu
Rasheeda Young
Teresita Xander



RESPONSIBILITIES



OFFICE DIVISIONS



What is the role of the Assessor-Recorder?

ASSESSOR

The role of the Assessor-Recorder is to value property in a fair and equitable manner according to California's Revenue and Taxation Laws. Our team works hard to locate all taxable property in the County

and identify ownership. We then establish a taxable value for all property subject to property taxation and list this value on the assessment roll. All tangible property is taxable unless constitutionally exempt. Our office also determines if real estate

parcels are required to be reassessed upon a change of ownership or the completion of new construction.

RECORDER

The Recorder serves as the custodian of public records and as such records all real property documents for the county, and registers marriage licenses and other public documents. The Recorder maintains an index and issues copies of all recorded documents to members of the public that request them.

The Recorder staff reviews, analyzes, and interprets large volumes of documents and determines whether they are recordable and in compliance with state codes and local ordinances. The Recorder is responsible for interpreting and applying the requirements of the County Documentary Transfer Tax Ordinance

with regard to any lands, tenements, or other realty sold within the county. The Recorder also has the responsibility to collect and allocate the necessary recording fees pertaining to the Real Estate Prosecution Trust Fund and Monument Preservation Fund.

How are Property Tax rates calculated? What is Proposition 13?

Property tax is an ad valorem tax based on a percentage of the property's value placed on real and business personal property. There are three different types of property: real, personal and utility. Real property refers to the ownership of land and any improvements to the land. Personal property is any property except real estate, including boats, airplanes and all business property. Business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software. Utility

property is property owned by utilities, such as railroads. Our office has jurisdiction over the assessment of real and business personal property.

Passed by California voters in 1978, Proposition 13 set a property's base year value at its 1975-76 assessed value and limits increases to the assessed value of real property by no more than 2 percent per year or the Consumer Price Index (CPI), whichever is lower. Proposition 13 also established a maximum property tax rate of one percent (1%) of the assessed value, plus any

voter approved bonded indebtedness, service fees, improvements bonds and special assessments. This add on was 0.159 percent for FY 09-10 for a total property tax rate of 1.159 percent.

Proposition 13 tightly regulates property tax and budget policy and was enacted in order to keep property taxes stable and predictable relative to variances in the housing market. Since the passage of Proposition 13, average assessed values have remained considerably lower than average sales prices in counties across the state.

When is Real Estate reappraised?

Real property is reassessed at its current fair market value under two conditions: 1) when there is an assessable change in ownership and 2) upon completion of new construction or a change in use. This reassessment establishes a new base year value.

When a sale or transfer occurs, the Assessor's Office receives a copy of the deed and determines if a

reappraisal is required under State law. If a reappraisal is required, an appraisal is made to determine current market value of the property. The owner is then notified of the new assessment and the owner has the right to appeal the assessed value.

The transfer of property between spouses or registered domestic partners does not require a

reappraisal for property tax purposes. This includes transfers resulting from divorce or death of a spouse or domestic partner. In addition, a refinancing will not cause a reappraisal. There are other exclusions for senior citizens, the disabled, and those involving parent/child transfers which are discussed later.

What new construction is reappraised?

When the homeowner/taxpayer applies for a building construction permit with the Department of Building Inspection, the Assessor's Office receives the permit. If the construction is new (such as a room

addition), a reappraisal is required. If the construction is for replacement, repair, or maintenance, a reappraisal is not required. In appraising new construction, the market value of the addition is determined and

added to the value of the existing property. The existing property, however, is not reappraised. As with a change-in-ownership, the owner is notified of the new assessment and can appeal the assessed value.

What is the assessment roll?

The assessment roll is the official list of all property within the County assessed by the Assessor, and is separated into a secured and unsecured roll. The assessment roll, which contains approximately

200,000 parcels as of the lien date of FY 09-10, is the basis on which property taxes are levied. The secured roll includes property on which the taxes are a lien against real estate. The unsecured roll includes property

on which the property taxes are not a lien against real estate, including business personal property or improvements located on leased land.

What is a Supplemental Assessment?

State law requires the Assessor to reappraise property immediately upon change-in-ownership, completion of new construction or change in use. The Assessor's Office must issue a supplemental assessment

that reflects the difference between the prior assessed value and the new assessment. This value is then prorated based on the number of months remaining in the FY ending June 30. This supplemental bill is in

addition to the regular tax bill. To appeal a supplemental assessment, an application must be filed with the Clerk of the Board within 60 days from the mailing of notice of the supplemental assessment tax bill.

How do I appeal my assessed value?

If you own a home and occupy it as your principal place of residence on January 1, you may apply for a Homeowner's Exemption of \$7,000 from your assessed value. An exemption is an allowance

of a deduction from the taxable assessed value of the property as prescribed by law. New property owners will automatically receive an exemption application in the mail. Homeowner's exemptions may also

apply to a supplemental assessment if the property was not previously receiving a Homeowner's Exemption. There is no charge for filing for the Homeowner's Exemption.

INFORMAL REVIEW OF ASSESSMENT

If you have reason to believe that the market value of your property as of January 1 in a given year is less than the amount shown on your

notice of assessed value and you have factual evidence to support a lowered assessment, you can request an informal review by a staff appraiser by contacting us before September

2 by phone (415) 554-5596 or email assessor@sfgov.org. Requesting an informal review does not preclude you from filing a formal appeal with the Assessment Appeals Board.

ASSESSMENT APPEALS BOARD

If you disagree with the assessed value or our informal review, you may file a formal "Application for Changed Assessment" with the Assessment

Appeals Board, an independently appointed review board. Application information can be obtained from the Clerk of the Assessment Appeals Board, City Hall - Room 405, 1 Dr. Carlton

B. Goodlett Place, San Francisco, CA 94102, phone (415) 554-6778 or web at www.sfgov.org/aab. Assessment appeals must be filed with the Clerk between July 2 and September 15.

Can I visit your office and do my own search?

Yes. We always encourage the public to conduct searches by accessing our computer systems and general

index on microfiche and microfilm. We also have staff on duty to assist you or answer any questions.

Does your office have map records?

The office carries three types of maps: block, parcel and condominium. For block maps, please provide the block number. For parcel and/or

condominium maps always provide the book and page. Block maps are printed on 8 1/2" by 11" for a \$3.00 fee per map. Parcel and/or condominium

maps are printed on 18" by 24" for \$5.00 the first page and \$3.00 each additional page per map.

How can I apply for reducing my taxes as a homeowner?

If you own a home and occupy it as your principal place of residence on January 1, you may apply for a Homeowner's Exemption of \$7,000 from your assessed value. An exemption is an allowance

of a deduction from the taxable assessed value of the property as prescribed by law. New property owners will automatically receive an exemption application in the mail. Homeowner's exemptions may also

apply to a supplemental assessment if the property was not previously receiving a Homeowner's Exemption. There is no charge for filing for the Homeowner's Exemption.

How can I apply for reducing my taxes as a veteran?

Certain exemptions are available for veterans. A Veterans Homeowner's Exemption is available for the home of a disabled veteran or a disabled veteran's spouse, if the veteran, because of an

injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. If qualified, veterans are provided exemptions up to \$150,000 of taxable

value. An unmarried surviving spouse may also be eligible if the service member died as the result of a service-connected injury or disease while on active duty in the military.

Will my property be reassessed if I give it to my children?

The transfer of real property between parents and children can be excluded from reappraisal for property tax purposes. The

principal place of residence and up to a maximum of \$1,000,000 in assessed value of any additional property may be transferred

without an assessment increase. An application must be filed with the Assessor's Office to determine eligibility for this exclusion.

Are there exclusions available for seniors or Disabled Persons?

Disabled property owners or senior citizens over 55 years of age can buy a replacement residence of equal or lesser market value than

their existing home and transfer their current tax base year value to the new home. The purpose of this is to provide tax relief for

disabled persons and seniors by preventing a property tax increase if they sell their existing home and buy another one.

What can I do if the market value of my property declines?

If you disagree with the value of your property, you should contact our Real Property Division. If a reduction in value is justified, we can adjust the

value or if not, aid you in applying to the Assessment Appeals Board. If you file an assessment appeal on an existing value, such appeal must be

filed with the County Assessment Appeals Board (City Hall, Room 405).

What if my home is damaged from a fire or an earthquake?

If a major calamity such as a fire, earthquake or flooding damages your property, you may be eligible for property tax relief. In such cases, the Assessor's Office will reappraise

the property to reflect its damaged condition. In addition, when you rebuild it in a like or similar manner, the property will retain its previous assessment for tax purposes. To qualify

for property tax relief, you must file a calamity claim form with the Assessor's Office within 60 days from the date the property was damaged or destroyed and the loss must exceed \$5,000.

What is Business Personal Property?

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a

trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all

property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

I received a Business Property Statement (Form 571-L, 571-R), what's this all about?

The Assessor's records indicate that you were doing business at this location on the lien date, January 1. The lien date is the day that the taxes became a lien on the property and/or its owners, even though the valuation and tax bills have not yet been computed and mailed. The tax

lien date is January 1 of each year (Revenue and Taxation Code, Section 2192). All machinery, equipment, fixtures, construction in progress and leasehold improvement held or used in connection with a trade or business are taxable as business property. The property statement

is a means for you to declare all your taxable business property located within the City and County on the lien date, January 1, and is used to assist the Assessor in determining the value of taxable property for assessment purposes.

How is the assessed value determined?

Assessment begins with the cost of the asset, including sales tax, freight and installation. A depreciation

factor is applied to the asset cost and this becomes the assessed value. The depreciation schedule is based on the

expected economic life of the asset, and is different from the depreciation schedule used by tax accountants.

When is Business Personal Property appraised?

Unlike real property, business personal property is appraised annually. The owners of all businesses must file a property statement each year with

the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office

has already established the taxable value of the business and sent out a Notification of Value Card. Business inventory is exempt for taxation.

Why are you taxing my business assets, under what authority?

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people are familiar with the property

taxes on their home. The assets of a business are also subject to assessment and taxation. Section 201 of the Revenue and Taxation Code of

California states: "All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code".

I have a business in San Francisco but did not receive a Business Property Statement, what shall I do?

You must contact the Assessor's Office to enroll your business and have a 571-L Statement/Form sent to you. You may call our Business

Personal Property Division. The 571-L form will have your permanent account number, owner's name, mailing address, and business

location. You must complete the form, then sign and return the statement to the Assessor's Office.



Who must file a Business Property Statement?

Per Revenue and Taxation Code, Section 441, you must file a statement if the Assessor's Office has sent you a property statement OR you have taxable personal property	with a total cost of \$100,000 or more located within the City and County as of January 1 of each year even if no statement is sent to you. Failure to complete and return the	property statement will result in the Assessor estimating the value of your business property and adding a 10% penalty to the assessment (R&T Code, Sections 441, 463 and 501).
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What is the last date to file the Business Property Statement without a penalty?

The due date for filing the Business Property Statement is April 1st. A 30-day extension until May 1st may be granted for reasonable cause. The request for extension must be made	in writing, preferably on company letterhead, and addressed to Phil Ting, Assessor-Recorder, Business Personal Property Division, 875 Stevenson St., Suite 100, San Francisco, CA 94103.	Please indicate the account number, if any, the location of the business and your title. Any property statement filed or postmarked after May 7th will have a 10% penalty added to the assessment.
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How much will my taxes be?

Using a tax rate of 1.14% will give a conservative estimate of what the actual tax liability will be. Proposition 13 established a tax rate of 1% of the value of assessable	property. San Francisco tax rate is determined by the Board of Supervisors, based on property assessed value and bond measures passed by San Francisco voters.	For example, if the business depreciated assessed value is \$25,000 the property taxes on the business assets will be approximately \$285.
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What if I don't agree with the value on my tax bill, can I dispute it?

The value can be corrected if a clerical or administrative error was made. In that case, first talk to an auditor how to go about correcting it. However, if the disagreement is	a matter of valuation, then you must file an "Application for Changed Assessment" with the Assessment Appeals Board no later than September 15th. Their telephone	number is (415) 554-6778. Pay it to avoid penalties (if it can not be cleared by August 31st). A refund will be sent to you if you win the case.
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Is there any property that is exempt or that I do not have to report on my Business Property Statement?

The following are some common exempt items that should not be reported: Business Inventory	(Revenue and Taxation Code 129), Application Software (Property Tax Rule 152), Licensed Motor	Vehicles (R&T Code 10751), First \$50,000 of employee-owned Hand Tools (R&T Code 241).
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Ad Valorem Property Tax

- Taxes imposed on the basis of the property's value.

Assessed Value - The taxable

value of a property against which the tax rate is applied

Assessee - The person to whom

the property is being assessed.

Assessment Appeal - The assessee

may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year

Assessment Appeals Board - A

three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal")

Assessment Roll - The official list

of all property within the County assessed by the Assessor.

Assessment Roll Year - The year

following the annual lien date and the regular assessment of property, beginning on July 1.

Audit Escape - The discovery of

escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question.

Base Year (Value) - The 1975-76

regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction or changes in ownership create the base year

value used in establishing the full

cash value of such real property.

Business Personal Property -

Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property)

Change in Ownership - When a

transfer of ownership in Real Property occurs, the Assessor determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base value of the property transferred, and a supplemental assessment is enrolled.

CPI - Consumer Price Index as

determined annually by the California Bureau of Labor Statistics.

Exclusions from Reappraisal - Some

changes in ownership may be excluded from reappraisal if a timely claim is filed with the Assessor's Office that meets the qualifications. Examples include the transfer of real property between parents and children or senior citizens over 55 who replace their principal residence.

Exemption - Allowance of a deduction

from the taxable assessed value of the property as prescribed by law.

Homeowner's Exemption - People

who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are reimbursed to the County by the State of California.

Exemptions: Other - Charitable,

hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled Veterans (for 100%, service-connected disabled Veterans) are eligible for exemption.

Factored Base Year Value - A

property's base value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The factored base value is the upper limit of taxable value each year.

Fiscal Year - The period beginning

July 1 and ending June 30.

Fixture - An improvement to

real property whose purpose directly applies to or augments the process or function of a trade, industry or profession.

Full Cash Value (FCV) - The

amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1.

Improvements - Buildings or

structures generally attached to the land. Improvements may also include certain business fixtures.

Lien - The amount owed and created

by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.

Lien Date - The time when taxes

for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1 (effective January 1, 1997) preceding the fiscal year for which

the taxes are collected. The lien date for prior years was March 1.

New Base Year (Value) - The full cash value of property on the date it changes ownership or when new construction is completed.

New Construction - The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.

Parcel - Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes.

Personal Property - Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.)

Possessory Interest (PI) - The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. An example of a PI includes the exclusive right to use public property at an airport such as a car rental company's service counter. The vendors are subject to property taxes. Regardless of the type of document evidencing the right to possession, a taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property.

Proposition 13 - Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that

limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.

Proposition 8 - Passed by California voters in November 1978, Proposition 8 requires for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.

Real Property - Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.

Roll - A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.

Roll Unit - A parcel of property or a business personal property account that is assessed for annual valuation.

Roll Year - See "assessment roll Year."

SBE - See "State Board of Equalization."

Secured Roll - Property on which the property taxes are a lien against the real estate.

Special Assessments - Direct charges or flat fees against property which are included in the total tax bill but are not based upon the Assessor's valuation of the property. Examples are a sewer charge or a school parcel tax.

State Board of Equalization - The State Board consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are imposed by the State Constitution and the Legislature. The State Board

regulates county assessment practices and administers a variety of State and local business tax programs.

Supplemental Assessment - When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment roll. It is based on the net difference between the previous assessed value and the new assessment.

Supplemental Roll - The roll, prepared or amended, contains properties in which a change in ownership or completed new construction occurred.

Tax Rates - The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.

Tax Roll - The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.

Transfer - Change in the ownership of, or change in the manner which, property is held.

Unsecured Roll - Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land. on the specific situation, a transfer may trigger a reassessment of the property.

IMPORTANT DATES FOR PROPERTY OWNERS

- JANUARY 1** The date taxes for the next fiscal year become a lien on property.
- FEBRUARY 15** Deadline to file all exemption claims.
- APRIL 1** Due date for filing statements for business personal property and marine vessels.
- APRIL 10** Last day to pay second installment of secured property taxes without penalty.
- MAY 7** Last day to file a business personal property statement without incurring a 10% penalty.
- JULY 1** Local assessment roll is surrendered to the Controller. The local assessment roll is the official list of all taxable property within the County.
- JULY 2** First day to file assessment appeal application with the Assessment Appeals Board.
- AUGUST 31** Regular roll unsecured taxes due.
- SEPTEMBER 15** Last day to file an assessment appeal application for reduced assessment with the Assessment Appeals Board, unless extended to November 30.
- DECEMBER 10** Last day to pay first installment of secured property taxes without penalty.



The Assessor-Recorder's Office is open Monday thru Friday 8:00 A. M. to 5:00 P.M., excluding legal holidays. Document recording is available 8:00 A.M. to 4:00 P.M. We have a public service desk that is staffed during business hours where you can inquire about property, tax rates and recorded documents.

If you have a question about your tax bill, please contact the Treasurer/Tax Collector at 554-7500 or www.sfgov.org/tax.

You can also call "3-1-1" for information and assistance with any non-emergency services.

**Office of the Assessor-Recorder
City & County of San Francisco**

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